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Open Title

## Milosevic Holds Aces In Balkan Showdown

Political Foes in Belgrade Think President Will Go to Brink, Then Feel Free to Settle

By Steven Erlanger  
New York Times Service

BELGRADE — Having consolidated his power, President Slobodan Milosevic has the political space to do what he likes with the rebellious southern Serbian province of Kosovo, even opposition politicians here believe. That is encouraging news for the Clinton administration and its NATO allies, whose threat to bomb Mr. Milosevic into ceding effective control over Kosovo will make it easier for him to justify eventual concessions. But given Kosovo's almost mythic importance as the birthplace of the Serbian nation, Serbian officials and senior diplomats here say, Mr. Milosevic is bound to take NATO to the brink before agreeing to any political settlement over Kosovo, where an ethnic Albanian insurgency is fighting for independence. While the vivid club of NATO's bombs is a necessary condition for any deal, Mr. Milosevic will also require some "cake," as the new deputy prime minister, Vuk Draskovic, put it — a partial lifting of the harsh diplomatic

and economic isolation that the West imposed on Serbia during the long Bosnian war. Mr. Milosevic may also seek an undertaking that he not be indicted for war crimes. "As much as officials in Washington publicly revile Milosevic and call him the main problem in the Balkans, he is also the solution," a senior Western diplomat said. "The West needs Milosevic to settle Kosovo, and Milosevic needs the pressure of the West to be able to do it. All the rest is hypocrisy." There is a wide assumption here, based on the tone of the state press, that Mr. Milosevic will send a delegation to the Western-sponsored talks, scheduled to start Saturday outside Paris. There has been no official announcement, however, and officials announced that Parliament will decide Thursday on whether the Serbs will go. Kosovo's leading moderate politician, Ibrahim Rugova, has agreed to attend but there has been no ac-

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An ethnic Albanian rebel, cloaked in a sheet, blending in with the snow Monday in a trench north of Pristina, the capital of Kosovo.

## Brazil Needs IMF Money Urgently, Soros Warns

Schroeder Lashes Out At Speculators And Calls for Regulation

By Jonathan Gage  
International Herald Tribune

DAVOS, Switzerland — The investor George Soros urged the International Monetary Fund on Monday to immediately provide emergency funding to Brazil to prevent the collapse of its currency and banking system. "Brazil is in a very acute situation, because on Friday you effectively had the beginning of a run on the banks and a run on the currency," Mr. Soros said at the World Economic Forum here. "This is the moment. I don't think there is a great deal of time, really," said Mr. Soros, who has made billions of dollars speculating in financial markets while pursuing philanthropic interests around the world. Germany's new chancellor, Gerhard Schroeder, addressed the same conference of many of the world's financial and political elite, issuing an attack on financial speculators and calling for reforms. "Speculative capital movements," he said, help "drive national and international economies — indeed, entire national economies — to the brink of ruin and cause precarious instability in many parts of the world."

"If even George Soros — and he's a man who ought to know, having himself earned billions through such speculation — urges us to introduce regulatory factors to ensure justice, then it is high time for us to get down to some serious negotiating on an international financial architecture." Mr. Schroeder also acknowledged what he called questions and even "fears" over the direction of his country's new left-leaning coalition government as it takes over the presidency of the Council of the European Union and chairmanship of the Group of Seven industrialized countries. "These fears I can allay, I hope, when I say here loud and clear: Germany remains a reliable partner for Europe, the Atlantic Alliance and the world economy," Mr. Schroeder said.

Mr. Schroeder committed Germany, during its EU Council presidency, to make strong progress on such matters as reform of the common structural, financial and agricultural policies grouped together under the Agenda 2000, on the Union's enlargement toward Central and Eastern Europe, and also on the Common Foreign and Security Policy. Mr. Schroeder promised that Germany would push ahead with "reforming our welfare state and social security systems." At the same time, he pledged that "we will not be so foolish as to undermine what for years has been crucial to the success of our social market economy, the principle of participation. People must clearly have a share in the wealth they create and a voice in decision-making — a bigger one in future, where possible."

However, he acknowledged that the German model faced "tremendous pressure for change." "For years we have seen economic growth failing to deliver sufficient new jobs," he said. "Germany, one of the world's richest nations, is experiencing depressingly high levels of unemployment." Germany's unemployment rate is currently around 11 percent. This, he said, was largely due to structural problems in the economy. "This all makes for extremely high barriers to creating new jobs," he said. "Whereas in the United States, for example, economic growth even as low as 0.7 percent generates new jobs, in Germany, we need growth of around 2.5 percent before any new employment is created." Mr. Soros, who has called for revisiting international financial regulation

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SAO PAULO STRESS — A Brazilian trader as stocks rose Monday on hope for IMF help. Page 11.

## Merger Wave Hits France As Big Banks Agree to Unite

By John Schmid  
International Herald Tribune

The merger-and-acquisition wave that has reshaped the European banking industry at last rolled into France on Monday as Societe Generale SA announced a takeover of Paribas SA, spawning a new financial giant in the heart of the euro zone. "Even in France, where the inertia in this sector has been greater than elsewhere, it shows the pressure for consolidation is irresistible," said Christopher Potts, investment strategist in Paris at the Cheuvreux de Virieu brokerage firm. Such a big combination in France, which previously lagged in the race toward global consolidation in the financial sector, could unlock new merger pressures that analysts expect to sweep over France the rest of Europe. Under the terms of its offer, Societe Generale will pay five of its own shares for each eight shares of Paribas, valuing the deal at about 15 billion euros (\$17 billion). Stock in Societe Generale fell 5 euros to 158, while Paribas shares rose 8.15 euros to 12.15.

The importance of the deal goes beyond the sheer size of the merged bank, which would have about 600 billion euros in assets, making it currently second in Europe behind UBS AG of Switzerland. The combination also would increase the competitive pressure in France, a lynchpin economy in the 11-nation bloc that launched the common currency last month. In a nation where politicians have long played a role in banking affairs, President Jacques Chirac expressed hope that "French banks can strengthen and join together to face up to international competition."

SG Paribas, as the new bank would be called, would be the world's fourth-largest bank. When Deutsche Bank AG completes its takeover of U.S.-based Bankers Trust Corp., expected by May, SG Paribas will be No. 3 in the European lineup behind Deutsche and UBS. The accord also would give France a big-league address in the high-risk field of investment banking. In effect, SG Paribas would become the nearest thing that France has to an international investment banking house. With an investment banking presence in Frankfurt and London as well as Paris, SG Paribas could compete for lucrative cross-border merger deals that the euro is expected to spawn. France has long been a closed market to outside corporate predators, as a frustrated Deutsche Bank repeatedly has complained. According to Deutsche, which aims to become a premier "euro bank," the French government has denied the German giant the opportunity to acquire one of its financial crown jewels.

But with this move, the pressure to change within France now has become all but unstoppable, analysts said. The successful launch of the euro last month increased the urgency to find

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## A Reminder for Kosovo: The Bosnia Tragedy

By Jane Perlez  
New York Times Service

WASHINGTON — As the Clinton administration rallies diplomatic and military measures to get talks going toward a peace settlement in Kosovo province, it appears that lessons have been learned from the agonizing delays in the early and mid-1990s in moving to end the civil war in Bosnia-Herzegovina. The question is: Have enough lessons been learned to avert another Balkan tragedy? Eleven months after the conflict in Kosovo flared

up, Washington has pushed the Europeans and Russia into calling the warring parties in Kosovo to a peace conference.

The administration was the driving force behind the agreement on Saturday for NATO to carry out air strikes, under certain conditions. Along with Britain, France and Germany, which have already declared willingness to commit ground troops to monitor an eventual peace settlement, Washington is also contemplating deploying ground troops, although a much smaller contingent than went to Bosnia-Herzegovina.

But doubts still persist about how serious Washington is on forcing President Slobodan Milosevic of Yugoslavia to leave, even though it blames his forces for mass killings in Kosovo over the last two weeks.

Critics of the administration note that it was only after NATO air strikes against the Serbs in Bosnia-Herzegovina that Mr. Milosevic was forced to the negotiating table at Dayton, Ohio.

Once he was there, it took heavy lifting by then big names in the administration — Secretary of State

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## Lewinsky Under Questioning, and Starr Under Fire

By Brian Knowlton  
International Herald Tribune

WASHINGTON — House prosecutors questioned Monica Lewinsky under oath for five hours on Monday, hoping for a revelation dramatic enough to persuade senators to call her to testify in person about President Bill Clinton's alleged efforts to conceal their relationship.

Earlier, the president's private lawyer, David Kendall, announced that he was taking legal action against Kenneth Starr,

after a report that the independent counsel believed he had the authority to bring a criminal indictment against Mr. Clinton even before the president leaves office.

Mr. Kendall said he would file in Clinton's \$1.766 trillion budget blueprint made public. Page 3.

federal district court "a motion to show cause" why "Starr and members of his staff should not be held in contempt for improper violations of grand jury

secretary." He accused Mr. Starr of "illegal and partisan leaking."

The Senate is weighing charges, largely based on the Starr investigation, that Mr. Clinton committed perjury and obstructed justice in trying to conceal his relationship with Ms. Lewinsky.

After making his announcement, Mr. Kendall joined the legal team representing the president at the hotel where Ms. Lewinsky, the former White House volunteer, was being interviewed, first by prosecutors, then by the White House side.

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### AGENDA

#### Radicals Seized After Gun Battles in Gaza

RAFAH, Gaza Strip (AP) — A Palestinian security agent was killed Monday in a shoot-out with three fugitives from the Islamic militant group Hamas who had been under police surveillance. The fugitives then sped away in a car and ran over an 8-year-old girl, who died of her injuries, according to the Palestinian police. The three were arrested several hours later in the Shati refugee camp in the northern Gaza Strip after another

gun battle with security forces. Another Palestinian girl was injured, though not seriously, in the shoot-out. The Palestinian police said the three men were members of Hamas's military wing, Izzedine al Qassam. Two of them, Raed Attar and Osama Abo Taha, escaped from Palestinian custody two months ago and are also wanted by Israel, a Palestinian security official said. The third man was identified as Mohammed Abu Shamala.

#### Algerian Candidate Promises a Dialogue

ALGIERS (Reuters) — Abdelaziz Bouteflika, Algeria's main presidential candidate for April's poll, pledged Monday to open a dialogue with all political forces to restore peace to his violence-torn country. The former foreign minister, making his first appearance to outline his program since announcing his candidacy in December, did not mention by

name the outlawed Islamic Salvation Front, formerly Algeria's biggest opposition party. He said at a news conference, "It is important to pay attention to every initiative that helps in restoring national harmony." The North African nation of 30 million has been wracked by violence since early 1992.



SUPER AGAIN — John Elway celebrating his second straight Super Bowl victory after his Broncos defeated the Atlanta Falcons, 34-19. Denver used a strong offense and three interceptions to win. Elway passed for 336 yards and scored the final Bronco touchdown. Page 18.

## In China, Protests by Farmers Provoke a Violent Response

By Erik Eckholm  
New York Times Service

DAOLIN, China — "He was just an honest farmer," said the widow of Zhang Huangli, speaking bitterly in her dirt-floor farmhouse about the death of her husband on Jan. 8.

On that day, here among the rice paddies and scraggly pine groves of Hunan Province, thousands of farmers — more than 10,000, participants claim — streamed from the surrounding hills to the government office in Daolin, a town of a few thousand. They came to demand an end to what they consider excessive taxes and corruption by the local Communist Party officials who rule over them.

But the rally, possibly one of the largest farmer protests in China in recent years, was quickly crushed. Mr. Zhang was killed by an exploding tear-gas canister fired by riot policemen. Scores more people were injured by the gas or by clubs, witnesses said. Eighteen people were detained for one or two days,

### Once the Revolution's Heart, They 'Eat Bitterness' No More

a participant said in an interview here, and four leaders of the protest escaped arrest and have been sought ever since, with reward posters plastered on village walls by the police and torn down by angry farmers.

The rally, called by a two-year-old illegal organization of local farmers, was one of many similar protests that have erupted in rural areas around the country. Like most others, it was completely unreported in the Chinese media, and rural protesters have rarely had a chance to describe their grievances directly to outsiders.

Along with the ire of unpaid urban workers, boiling resentment in the countryside is a major source of the social instability that has recently preoccupied China's leaders. The rampant discontent seems less to reflect any new crisis than it does the slow grinding down of

farmers who have long been known for their ability to "eat bitterness."

But multiplied across rural China, where two-thirds of the country's people still live, the alienation of farmers — whom Mao Zedong once called "the main force in the revolution" — poses a long-term challenge to Communist Party rule.

The simmering conflict in Hunan is a particular embarrassment for the party because Hunan is the birthplace of Mao and other top leaders, including the current prime minister, Zhu Rongji.

Adding further to the sense of disorder, in the last month Hunan was also the site of two unsolved bombings — one on a bus in the provincial capital of Changsha that wounded 37 and the other in the southern town of Yizhang that killed 8. But there is no evidence to link those events to farmer or worker protests.

Daolin township, an administrative area of about 50,000 people scattered in many villages, is neither

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Kenya	K Sh. 180	U.S. ML (Eur)	\$ 1.20
Kuwait	700 Fils	Zimbabwe	2tr. \$40.00



The Dollar

New York	Monday @ 4 PM	previous close
Euro	1.13	1.1365
Pound	1.6412	1.646
Yen	115.05	116.42
DM	1.7303	1.7218
FF	5.8032	5.7746

Dollars per pound and per euro.

The Dow

Monday close	percent change
-13.13	9,945.70 -0.14%

S&P 500

Monday close	percent change
-6.82	1,273.02 -0.52%

Nasdaq

Monday close	percent change
+4.34	2,510.23 +0.17%







## THE AMERICAS

Budget 2000:  
Clinton Adds  
Billions in  
New Spending

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton released a \$1.766 trillion federal budget blueprint Monday for 2000 that proposes billions of dollars in new spending while preaching fiscal conservatism.

"Last year, for the first time in three decades, we turned red ink to black," Mr. Clinton said Monday at an appearance at the White House. "Our economic house is in order and strong."

His budget plan asks Congress for substantial new money for scores of domestic programs popular with liberal and middle-class constituencies, from urban housing vouchers to new classroom construction.

But Mr. Clinton, taking advantage of surging federal tax receipts, also proposes large spending increases for cherished Republican priorities: the military, local police and small business.

The president's plan envisions a budget surplus of at least \$76 billion for the current fiscal year, \$117 billion for fiscal year 2000, and much larger surpluses stretching as far into the future as government forecasters can see.

The health of the U.S. economy and overflowing federal coffers allow Mr. Clinton the luxury of indulging in large new "investments" in politically popular labor, education, health care and environmental projects while cloaking himself in fiscal prudence by proposing to use budget surpluses to reduce the federal debt.

But the prospects for the president's ambitious programs are uncertain given Republican majorities in both houses of Congress and the ill will on both sides as a result of the impeachment battle.

Republicans seek an across-the-board 10 percent cut in income tax rates, returning \$600 billion or more to taxpayers over the next decade.

"That, they say, is critical to keep the Democrats from creating new spending programs."

"I wish this budget was something I could say I support, but frankly, I am convinced that the president has reinvented the era of big government, having just declared it dead two years ago," said the Senate Budget Committee chairman, Pete Domenici, Republican of New Mexico.

"I believe American taxpayers have given us more of their money than we need, and we should return it to them," he added.



Bill Clinton arriving back at the White House on Monday, fresh from a trip to Camp David, where he read and played ball with his dog, Buddy.

Mr. Clinton's proposal for increased defense spending is likely to win Republican support and in fact it may be increased. His plan to provide tax credits for long-term medical care also has bipartisan support.

But many of the other spending programs are unlikely to win Republican backing at a time when limits on federal spending imposed as a result of the Balanced Budget Agreement of 1997 remain in effect.

While the president proposes to increase overall government spending by \$39 billion over this year's level, federal outlays as a proportion of the U.S. economy will be at the lowest level since 1973, 19.4 percent.

The plan raises, but does not definitively answer, the overriding economic question now before the Congress and the White House: how to adjust to a time of surplus after a generation of seemingly intractable federal budget deficits.

The plan, all of which is subject to congressional approval, is in effect a holding action until a long-term plan is negotiated to shore up Social Security and Medicare, the crown jewels of Democratic progressivism that are projected to run out of money early in the next century.

President Clinton has announced a plan to ensure the solvency of Social Security and Medicare well into the next century by reserving 77 percent of any budget surpluses to shore up the uni-

versal retirement and health-care entitlements.

An additional 12 percent of the projected surpluses is being set aside under the administration's plan for a new form of retirement account designed to increase the nation's paltry personal savings rate. (NYT, AP)

Voters Give Bill Bradley an Earful  
Presidential Hopeful Makes First Foray Into New HampshireBy Dale Russakoff  
Washington Post Service

DOVER, New Hampshire — Bill Bradley's first campaign trip to New Hampshire ended in a kitchen at a Head Start center, with the man who would be president talking intently to two cooks about their families, their work, their values and their hopes for the future.

Mr. Bradley never said anything about Washington or the mess it is in. But after he left, the cooks erupted at the first mention of the subject.

"Talk about turnoff!" Eve Krook, 35, exclaimed. "Turn on the TV and see a whole bunch of congressmen!"

She spat out the word "congressmen" like a word of racial feud.

Watching Vice President Al Gore, who is Mr. Bradley's opponent for the Democratic Party's presidential nomination, was not much easier, she said.

"You can tell how strong a person is or isn't by how they act toward their boss. He hasn't stood up for him. He just stands there."

"Show some backbone!" said Priscilla Boodrean, 47, slapping the chopping block.

This was the dynamic of Mr. Bradley's debut as a presidential candidate. He kept walking into the fabled "disconnect" that pollsters have identified between Washington and the rest of the United States.

"People are making one decision when they vote for president: Who do

they trust?" Mr. Bradley said. "Does this person have remotely the same ideas I do about life?"

Throughout his three-day trip last week, he talked about tapping "the unfulfilled potential of the American people"; about delivering politics from the influence of big money, back to people; about leading by "core convictions," including racial unity.

He recounted his rise from small-town Missouri boy to Rhodes scholar to professional basketball star and United States senator. He offered few specifics, such as where he would set the minimum wage or the defense budget or what he would do in Kosovo. He said all this would come later. And he never talked about impeachment or Mr. Gore until he was asked.

But as in the Head Start kitchen, he did not have to. Thirteen months before New Hampshire's first-in-the-nation presidential primary, the people here were more focused on venting than voting, and Mr. Bradley became a vehicle without even trying.

The more he vowed to be civil toward opponents, remain true to himself, govern for the general interest — not special interests — the more clear it became that many in his audiences had all hot given up on finding these simple, civility virtues in national politics.

At event after event, he was approached by people who said they were looking for a way out of the lies, the partisanship, the muck of impeachment. Applause broke out spontaneously at

Plymouth High School when a man who said he was a libertarian rose to say, "I read that your integrity is beyond reproach. Keep that in the forefront!"

"I'm looking not only for someone who's bright and who carries my legislative agenda, but who's honest," said Susan Herman, a college instructor and self-described liberal, as she shook Mr. Bradley's hand at the Bagel Works in Keene.

"Right now, I've got two out of three," she said, "and I'm telling you, it's not enough." Of Mr. Gore, she said, "He's not the winds of change."

But if Mr. Bradley represents a change voters yearn for, it was unclear how and whether he could mount a campaign that galvanized voter disaffection. Although he has been a national figure since he played high school basketball, Mr. Bradley has rarely been comfortable in the spotlight.

Year after year, political observers have predicted that Mr. Bradley would run for president — and year after year he has demurred, saying the timing was not right. Now he seemed exhilarated to "reach a time," as he put it, "when the inside feels right with the outside."

His inner feelings were a recurring subject in his chats and news conferences, a contrast with his cerebral-senator image. He said he was changed by his wife's struggle through breast cancer, the suicides of two friends and his near-defeat in 1990, when he remained aloof to a rolling anti-tax uprising in New Jersey. "I knew that I had led from my mind, and you also have to lead through feeling," he said.

Mr. Bradley apparently felt he had made an emotional connection here, through coffee, ambles down Main Street and open-ended conversations. "I'm loving it," he said at one point. "I called my wife last night and said I haven't felt this way in I didn't know how long."

It was unclear whether the voters' disaffection would last until primary day — and even less clear whether it was widespread enough to pose a threat to Mr. Gore, whose network of battle-tested party activists here is said by supporters to be more formidable than President Bill Clinton's was on the eve of the 1992 primary.

Most people who came to see Mr. Bradley said they rarely if ever have worked in presidential primaries. Mr. Bradley's limitations as a politician — his wooden speaking style, his aloofness from the often-muddy party trenches — seemed to work in his favor. "I think there's a lot of pent-up emotion for Bradley," said a lawyer, Allan Kraus, 47. "He adds a new element — a nonslick candidate."

## POLITICAL NOTES

## The Clinton-Must-Suffer Camp

ORLANDO, Florida — For many conservatives, the failure to feel any real satisfaction in seeing President Bill Clinton humbled comes down to this: He isn't.

"He doesn't feel impeached," said Norma Adams, a Republican, attending the party's state convention here over the weekend. "I don't consider him impeached at this point, with him being so brazen and pretending everything's great in his life."

Two of Ms. Adams' friends cut in simultaneously: "He's impeached!" But they, too, said the president's refusal to cry after his whipping was eating at them as much as any other aspect of the events of the last year. "Who could be impeached and yet have their cheerleading section going within minutes?" wondered Lou Howard, 72, of Cocoa Beach. Ray Marino, a 62-year-old from Brevard County, just shook his head. "It's the arrogance factor," he said. In interviews, on conservative talk radio and in Congress, where the House managers seem increasingly testy even when they get their way, the Republican faithful, come across, above all, as frustrated.

Their team scored in ways almost no one expected this

last year: The president was impeached and made to apologize repeatedly, and his wife had to dip into her hind trust to help settle the Paula Jones sexual harassment suit.

But for many here, the most enduring images of the last year include Mr. Clinton's walking around with a drum in his hand and a cigar in his mouth after Mrs. Jones' suit was dismissed in April. And they see him still, in their mind's eye, shaking hands at a party after his impeachment when several congressional Democrats joined him at the White House to provide moral support.

"That was disgusting," said Pat Bailey, a 57-year-old state committee member from Ponte Vedra Beach. (NYT)

## New Jersey Governor Breaks Leg

NEW YORK — Governor Christie Whitman of New Jersey broke her lower leg in two places Sunday when she fell while skiing in Davos, Switzerland, where she was attending the World Economic Forum.

"She was on an intermediate slope and took a turn and a twist and the rest was history," said Jayne O'Connor, a spokeswoman. Mrs. Whitman had surgery at a local hospital, where she expects to remain until midweek. (NYT)

## ASIA/PACIFIC

## BRIEFLY

## India Yields on Test Ban Treaty

NEW DELHI — India has made a conditional offer to sign a nuclear test ban treaty while its major rival, Pakistan, demonstrated a renewed willingness on Monday to stop nuclear tests but made no promises.

U.S. and Indian officials, speaking on condition of anonymity, said that India had agreed to sign the Comprehensive Test Ban Treaty provided economic sanctions imposed last year after it held nuclear tests were lifted.

In their comments, neither source could say exactly when New Delhi would sign the treaty or when the sanctions would be lifted.

Pakistan, meanwhile, welcomed the U.S. deputy secretary of state, Strobe Talbott, on Monday by showing a willingness to evaluate its nuclear program. (AP)

## Seoul Dismisses 6 Prosecutors

SEOUL — The government dismissed 6 prosecutors and reprimanded 19 Monday in a corruption scandal that has embarrassed South Korea's judicial system.

Five judges also faced investigation and possible punishment for alleged involvement in the scandal. They were suspected of receiving payoffs in return for introducing clients to a lawyer.

The scandal came to light in early January, when a disgruntled aide to a lawyer passed to the press a list of hundreds of prosecutors, judges and police and court officials who allegedly received bribes. (AP)

## China Detains Intellectual

BEIJING — The Chinese police have sentenced the head of an intellectuals' forum to 15 days in detention on charges of soliciting a prostitute. His legal adviser said Monday that the charge was unfounded.

The police detained Peng Ming on Jan. 25 in a nightclub and sentenced him the next day to 15 days in detention, said his adviser, Zhou Guoqiang. (AP)

Defendant in Singapore  
Insists on Free Speech

Agence France-Press

SINGAPORE — A Singapore opposition politician on trial for giving a speech without a license proclaimed his right to free expression on Monday and accused the authorities of discriminating in issuing such permits.

The politician, Chee Soon Juan, secretary-general of the tiny Singapore Democratic Party, took the stand and insisted that curbs on political activity violate his right to free expression.

Mr. Chee is charged with holding a rally without police permission in the financial district on Dec. 29. The maximum fine is 5,000 Singapore dollars (\$3,000). He risks being barred from running for Parliament if he is fined more than 2,000 dollars. He has said that he will not pay any fine, and thus faces a jail sentence.

Mr. Chee contends that the Public Entertainment Act, under which he was brought to court, violates constitutional guarantees of free speech in Singapore.

"As I understand it, a constitution is a set of fundamental principles upon which the country is governed and in that constitution it is stated that I have the right to freedom of speech, assembly and association," Mr. Chee told the court, presided over by Judge See Kee Oon.

## Amid Capitalists, Malaysia's Gadfly Seeks Vindication

By David E. Sanger  
New York Times Service

DAVOS, Switzerland — The world's financial commanders have had no greater nemesis in recent years than Prime Minister Mahathir bin Mohamad of Malaysia, who has banned the trading of his country's currency, denounced U.S. economic imperialism and jailed his finance minister for daring to challenge his economic prescriptions — and his iron-handed rule.

So it came as something of a jolt for the world's most dedicated capitalists, gathering for an annual retreat of the financial elite in this resort town, to discover Mr. Mahathir in their midst.

He has been everywhere, behind closed doors with bankers, dropping hints that he is thinking of cutting special deals for "responsible" investors who want to move money in and out of his country.

True to form, Mr. Mahathir has been by turns charming and combative — except on one subject: the continuing corruption and sexual-misconduct trial of his former hand-picked successor, Anwar Ibrahim.

"He thought he could unseat me through street demonstrations, the way Suharto was overthrown by street demonstrations," Mr. Mahathir said at a dinner with a group of journalists, referring to the fate of the former president of Indonesia, the most

prominent political casualty of the Asian economic crisis.

In one sense, Mr. Mahathir was lost in the parade of luminaries here, from Nelson Mandela of South Africa to Yevgeny Primakov of Russia to the UN secretary-general, Kofi Annan, to the huge delegation of U.S. officials who sometimes cannot help sounding a bit as if they are taking a victory lap.

They arrived here just as Washington was announcing another spectacular quarter of growth for the U.S. economy that only underscored the sense among the crisis-ravaged here that the global financial system was rigged for the United States' benefit.

That makes Mr. Mahathir's theories sound a lot less wild to many now than they did 18 months ago. Back then, he was still debating George Soros — the financier who is also here with a parcel of sides whispering about the taint of call phones — about the dangers of currency speculators.

In a bitter debate with Mr. Soros at the 1997 meetings of the World Bank and the International Monetary Fund, Mr. Mahathir called for controls on the free flow of capital around the world, and Mr. Soros called the prime minister "a menace to his own country."

Now, Mr. Mahathir's favorite hobbyhorse — controlling capitalism's excesses, keeping small countries from being washed out to sea by the ebb and flow of billions of dollars — is the

subtext of half of the seminars here in Davos.

While almost no one has endorsed the Malaysian solution of declaring a country's currency valueless outside its borders, the 73-year-old prime minister has come to seek vindication and to delight in the fact that the International Monetary Fund and the U.S. Treasury fear that others could follow in his footsteps.

"The U.S. must be more tolerant of the 'stupidity' of Malaysia," he said. "Why not leave us to do the wrong things we want to do? What is this talk about freedom and independence if you say, 'I have the power to stop you, and I will stop you?'"

Actually, the United States has not exactly said that. But Mr. Mahathir was directly challenged on his own turf in November by Vice President Al Gore, who at an Asian economic summit meeting in Kuala Lumpur took up the

language of Mr. Anwar and other opponents of Mr. Mahathir, openly calling for reform, or reform.

Here in Davos, Mr. Mahathir spent a good deal of time repairing relations with investors, who have not his country off ever since Malaysia declared that any money invested in the country must stay there for at least a year — a step that free-traders find abhorrent.

"We feel that by doing this

we can regulate the country's economy better because we have control," he said.

In the next breath, though, Mr. Mahathir talked about relaxing the rule to allow some international investors back in — except, of course, for those nasty currency speculators.

He said one possibility was to put together "a selective listing of good and bad investors," though it was not clear who would get on the list, presumably not Mr. Soros.



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## 0: Milosevic

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## Do the stars in Davos seem brighter this year?

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## INTERNATIONAL

## All Together Now: Ulster's Peace Effort Is Not Crumbling

By James F. Clarity  
New York Times Service

DUBLIN — The Irish and British leadership and the highest-ranking officials in Northern Ireland are trying to ease fears that the peace effort in the British province is crumbling because of a dispute between Roman Catholic and Protestant leaders on the issue of disarming the overwhelmingly Catholic Irish Republican Army.

On Sunday, Seamus Mallon, the deputy first minister of the Northern Ireland Assembly, a body established as part of the peace effort, called for a compromise retreat from the "brinkmanship" that could collapse the peace effort.

Referring to David Trimble, the Protestant who is first minister under the new cooperative political arrangement,

and Gerry Adams, the president of Sinn Féin, the IRA's political wing, Mr. Mallon, a mainstream Catholic, said a solution to the dispute could be found "if they both blink somewhat at the same time."

"One of the difficulties of Northern Irish politics is that people always see the ball in the other fellow's court," he continued.

There was no blinking afterward, though. Mr. Trimble was holding to his position that Sinn Féin would not be allowed to participate fully in the assembly until the IRA begins to disarm. The IRA and Sinn Féin gave no sign they would change their position that there would be no disarmament in the coming weeks.

On Saturday, Mr. Trimble and Prime Minister Bertie Ahern of Ireland acknowledged that the disarmament issue

was threatening to disrupt, if not collapse, the peace effort.

After meeting in Mr. Ahern's office in Dublin for 40 minutes, the two leaders agreed that, with a crucial deadline on Feb. 15 for a vote on new government structures for home rule, disarmament was still a "significant hurdle."

The meeting came after a week in which Mr. Trimble, the leader of the Ulster Unionist Party, and Mr. Mowlam, the British Northern Ireland secretary, sought to keep the effort alive. Both have tried to assure colleagues and the public that the peace effort will survive the vote in February on structures that are to be put into effect by the end of March.

The new structures are intended to give the Catholic minority more power and increase the influence of the over-

whelmingly Catholic Irish Republic in the northern province of Ulster. The vote is to pave the way for Britain's return of home rule powers to the province through the assembly in Belfast, the northern capital.

In recent days, Mr. Trimble and Mr. Mowlam have addressed indications that the province was edging back into sectarian warfare. Mr. Mowlam called for an end to "punishment beatings" by Catholic and Protestant paramilitary groups, calling the beatings "atrocious, barbarous behavior."

The number of such beatings of civilians by paramilitary groups has been accelerating in recent weeks to more than 20.

Some members of the British Parliament have called for a halt to the early release of Northern Irish paramilitary prisoners from British jails, a program

being carried out under the peace effort, until the violence in the North subsides. Ms. Mowlam, with the support of Prime Minister Tony Blair of Britain, said there was no reason to curtail the early releases, and some experts say doing so would increase the potential for violence.

Mr. Trimble has vowed to keep Sinn Féin from ministers' posts in the new Northern Ireland provisional government until the IRA begins to disarm. The IRA has refused repeatedly, and Sinn Féin notes, accurately, that there is no requirement in the peace agreement approved last spring for disarmament before May 2000.

Mr. Trimble's authority is also threatened by dissident Protestant unionists who fear he will make a last-minute deal with Sinn Féin that would give it significant influence.

## BRIEFLY

## Slovak Aides Tied To 1995 Abduction

BRATISLAVA, Slovakia — The police in Slovakia said Monday that senior officers in the State Security Service coordinated the 1995 abduction of the son of former President Michal Kováč.

The police added that they wanted to bring charges against former Interior Minister Gustáv Krajčí for abuse of power in a separate incident.

Officials would not say whether former Prime Minister Vladimír Mečiar himself would face charges in connection with the cases.

The abduction of Michal Kováč, whose father was an arch political foe of Mr. Mečiar's, was one of the biggest political scandals in post-Communist Eastern Europe and provoked outrage at home and consternation abroad.

The son, who has the same name as his father, was forced into the trunk of a car and driven into Austria, where he was arrested on a warrant accusing him of fraud.

Two former top security officials were taken into custody earlier Monday, and the police said they would apply for the lifting of parliamentary immunity from Ivan Lexa, who was head of the security service until becoming a deputy for Mr. Mečiar's party after elections in September. (Reuters)

## Moldovan Leader Says He's Quitting

CHISINAU, Moldova — Prime Minister Ion Ciubuc said Monday that he was resigning because his divided center-right coalition could no longer function as a team.

"The behavior of some members of the government has not allowed to turn it into a consolidated team," Mr. Ciubuc said at a news conference. "One cannot tolerate this cabinet any longer."

Cabinet posts were distributed among nationalists and centrists who back the president.

The prime minister said his resignation statement had been sent to Parliament after being agreed to by the president and the deputy prime ministers. (Reuters)

## Pope's Flu Is Laid To St. Louis Visit

VATICAN CITY — Pope John Paul II is suffering from influenza, as the Pope indicated Sunday, as he forced him to cancel his Monday audiences, a Vatican spokesman said.

The Pope caught the flu in the city of St. Louis, Missouri, said a prelate who accompanied the pontiff on his fatiguing trip to Mexico and the United States.

When he arrived in St. Louis, the 78-year-old pope was greeted by President Bill Clinton in an aircraft hangar, where the hot and stuffy atmosphere forced most people to take off their coats. (AFP)

## Yeshiva Youths Insult and Jeer Reform Rabbis In Jerusalem

By Deborah Sontag  
New York Times Service

JERUSALEM — About 150 strictly Orthodox Jewish yeshiva students surrounded a group of American Reform Jewish rabbis who had gone Monday to pray at the Western Wall, booing loudly and hurling insults past a human barricade of border police officers.

Most chilling to the Americans, the youths, their faces contorted in anger under their black hats, screamed at the rabbis that they should go back to Germany to be exterminated. For Israelis, such an allusion to the Nazi Holocaust is shocking.

The students, rallied by cars with loudspeakers driving through their neighborhoods, jostled and pushed at metal gates that hemmed the men and women rabbis in an enclosure.

"They are nothing but biological Jews!" declared an Orthodox member of Parliament, Avraham Leizerman, who entered the enclosure to shout at the Americans.

What the Orthodox found particularly provoking was that men and women were praying together, which the Orthodox do not allow, also that the women, like the men, wore skullcaps and prayer shawls and that a woman, Anat Hoffman of the Jerusalem City Council, was holding the Torah.

Barely audible to each other as they sang and swayed in prayer, the American rabbis persevered through their entire prayer service.

"If a group of rabbis can't go to the Wall, then who can go?" asked Rabbi Ammiel Hirsch, executive director of the Association of Reform Zionists of America in New York. "Who does it bother? Who considers it provocative? It's only provocative if you succumb to the ultra-Orthodox world view, which sees the Western Wall and all of Israel not as the heritage of the Jewish people but as a giant ultra-Orthodox syn-



Rabbi Stephen Fuchs, left, of West Hartford, Connecticut, exchanging heated opinions Monday at the Western Wall with an Orthodox Jew. The presence of women in the praying American group caused fury.

agogue."

It was the latest skirmish in a struggle that has been heating up lately between Orthodox Jews and the Reform and Conservative movements, which many fundamentalists believe to be such a dilution of Judaism that they are not the same religion at all.

"You think you are Jewish because you put on a kippa?" Meir Kraus, an Orthodox man, yelled in English, referring to a skullcap.

"This is like if I went to the Vatican with my prayer shawl. They'd find me completely nuts. You want to do a new religion? Fine. Go do it somewhere else, in Sri Lanka. Leave us Jerusalem."

The Western Wall, which is the most hallowed Jewish site, has long been a battleground between traditional and progressive Jews. The prayer area directly in front of the wall is divided into sections for men and women, as in an Orthodox synagogue, but the men's section is much larger.

The Reform and the Conservative movements have petitioned the Supreme Court for a right to hold mixed

services before the Wall.

Members of Women of the Wall have sought court orders allowing them to read from the Torah and to wear prayer shawls there.

Orthodox leaders here and in the United States have successfully fought off all attempts to relax the religious rules at the Wall.

The confrontation at the Wall is in effect a showdown between Jews over the legitimacy of Reform and Conservative Judaism — the dominant movements in the United States, which are very small here.

Most Israelis are what the Orthodox here call "secular," which means that they do not belong to a synagogue or obey the rules of Jewish law, although many observe the Sabbath and most celebrate all Jewish holidays.

Last week, the chief Sephardic rabbi in Israel, Eliahu Bakshi-Doron, lashed out at the Reform movement, saying that by sanctioning assimilation it had contributed to the loss of more Jews than died in the Holocaust.

He later apologized. But it is not

uncommon to hear such virulent language in Israel, and particularly references to the Holocaust, like the students' shouts that the rabbis should go back to Germany.

There is even what some would call hypersensitivity to historical references. When Prime Minister Benjamin Netanyahu unveiled a new campaign slogan last weekend that declared him "a strong leader for a strong people," the opposition Labor Party was quick to condemn it for evoking memories of Nazi propaganda.

The confrontation at the wall also touched another sensitive issue — what many here see as an ownership battle over Israel: To whom does the Jewish homeland belong?

Many Israelis see the Jews living in other countries as vital to their existence.

Others, however, resent what they see as American meddling in Israeli affairs.

"Go back to the United States!" the students also shouted repeatedly at the rabbis.

## Turkey Presses Greece to Bar Kurdish Rebel

The Associated Press

ANKARA — Keeping up its crusade against asylum for a Kurdish rebel leader, Turkey warned Greece on Monday not to give refuge to Abdullah Ocalan, who Ankara said had landed at the Athens airport after being rebuffed by the Netherlands.

The authorities in Athens immediately denied the Turkish claim.

Earlier Monday, Mr. Ocalan was turned back by the Dutch authorities as he headed to the Rotterdam airport where 200 Kurds were waiting to welcome him. There was no indication where he had come from.

A Dutch attorney, Britta Bohler, said Mr. Ocalan had wanted to ask the International Court of Arbitration in The Hague to mediate between the Turkish government and Turkey's rebel Kurds.

Later, the undersecretary of the Turkish Foreign Ministry, Korkmaz Haktanir, said that Mr. Ocalan was in his private plane in Athens, awaiting permission to disembark.

Mr. Ocalan's quest for a base to lead the Kurdish Workers Party began last year after Turkey successfully pressured Syria into ending years of refuge for him. He left Italy on Jan. 16 after trying for two months to win asylum.

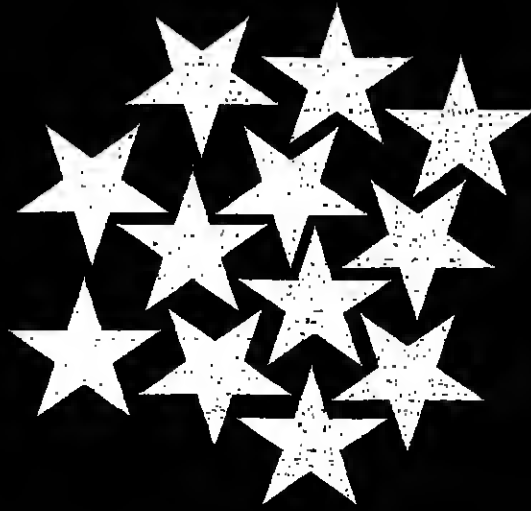
"We expect Greece to be loyal to its assurances that it would not accept the terrorist leader," Mr. Haktanir said.

In Athens, a Foreign Ministry spokesman, Theodoros Theodorou, insisted that no request had been made for Mr. Ocalan to come there. Asked whether the Kurdish leader was anywhere in Greece, he replied, "No."

Because of the often hostile relationship between Greece and Turkey, it seemed doubtful that Athens would grant refuge to Mr. Ocalan.

The Greek ambassador to Ankara, Dimitrios Nezeritis, was summoned twice Monday by the Turkish Foreign Ministry. Mr. Nezeritis repeated that Mr. Ocalan was not in Greece and that Athens would not let him in.

Turkey has issued an international warrant for Mr. Ocalan on numerous charges.



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**BRIEFLY**  
**Slovak Aides Find To 1995 Abduction**

BRATISLAVA — The police in Slovakia today that senior officials of the State Security Service had found the 1995 abduction of the President Michal Kovac's aide.

The police added that they wanted to bring charges against the former Interior Minister Karol Kucera for abuse of power in the incident.

Officials would not say whether the former Prime Minister Vladimir Meciar himself would be in connection with the abduction.

The abduction of Kovac's aide, whose father was a political foe of Mr. Meciar's, was one of the biggest political scandals in Slovakia's transition from Communism to democracy and provoked outrage and speculation abroad.

The son, who had been working as his father's aide, was found in the trunk of a car and charged with the abduction.

Two former top officials of the security service were taken into custody Monday, and the police said they would apply for the arrest of a parliamentary immunity holder, Lexa, who was found in the service until becoming a deputy in Mr. Meciar's party in September.

**Moldovan Leader Says He's Quitting**

CHISNAU, Moldova — President Ion Iliescu today said he was resigning from office, but he was not expected to leave his post.

The 61-year-old leader, who had been in office since 1996, said he was resigning because of the divided center of power in the country.

The behavior of the government, he said, had led to the loss of trust in the president.

Mr. Iliescu's resignation came after a cabinet meeting in which he was criticized for his handling of the economy.

The prime minister, Victor Ceban, said he would continue to work with the president.

**Pope's Flu Is Said To St. Louis Visit**

VATICAN CITY — The Pope's flu is said to be the reason why he will not visit St. Louis, Missouri, during his trip to the United States.

The Pope, who is 78 years old, has been in poor health since he was diagnosed with a respiratory infection.

His doctors have advised him to rest and avoid travel.

The Pope's visit to St. Louis was part of a larger tour of the United States, which was scheduled to include stops in New York, Washington, and Chicago.

# In Life After Sportswear, Luxury and Romance



Yohji Yamamoto's jazz-playing gypsy with tweedy coat and cardigan jacket.



Comme des Garçons' striped suit with Hawaiian lei as a scarf.



Hermes's wide-collared cashmere sweater.



Dries Van Noten's cut-away jacket, ribboned sleeve and rakish hat.



Paul Smith's donegal tweed jacket, tailored shirt and cravat.

## Focus Shifts to Opulent Detail

By Suzy Menkes  
International Herald Tribune

**P**ARIS — So there is fashion life after sportswear! Clicking on to the French menswear shows (my knee injury still forcing me to be a virtual fashion editor) I metaphorically moved the mouse to "search" and "find" sporty details.

CLICK! Two-way zipper. CLICK! Velcro tab; utility jacket; nylon parka; jogging pants. Was it a technological glitch? Was I missing something? Everything seemed to be coming up romantic: ribbons, roses, touchy-feely fabrics and sweet colors.

Instead of urban workwear, I saw elegant, tailored silhouettes. The nearest thing to sportswear was what an old-fashioned gentleman would once have called a "sports coat" — a jacket in textured fabric with silken lining.

Yet far from looking gentrified or retro, these clothes for winter 2000 seemed modern, with their super-light constructions and tiny details, like the mismatched buttons on Paul Smith's vests or the stitching edging pockets and lapels at Comme des Garçons.

Mostly, the clothes looked reassuringly normal, as though all the experiments with gender-bending, techno fabrics and design gimmicks had been part of the dying century.

"It's very easy to put in frills or 10 zippers — my clothes are more of a secret club," said Paul Smith, who described hidden luxury, recognized only by the discerning, as a "clothing handshake." He said that men get fashion goose bumps from appreciating the intricacies of the handmade shirt, with its carefully crafted button holes and red stitching at the cuff, or the tactile fabrics for jackets and their vivid linings.

Most of the details that make up current designer menswear are invisible. But some of the classic looks were evident even on videotape, like Smith's crisply tailored shirts against deep-pile cord pants, a double-cream roll-neck sweater with flat Prince of Wales check pants and grainy snede patches on the arms of a sports jacket.

The concept of inward, rather than exterior opulence, has always been the creed at Hermes, where the designer Veronique Nichean was in sporty mode and gave her collection character by showing it on men who were not models. Deer-skin and reindeer — luxury hides with a tough look — enlarged her leather repertoire, while utilitarian rainproofed canvas was given a cashmere lining. If you did not know that the basic workwear shapes like zippered tops and parkas were made in succulent fabrics, you wouldn't get it. But even the on-line images showed the quality of glossy leather jackets, a suede sweater and leather pants.

Whereas Milan menswear has a homogenous look, the Paris shows are about individual designers developing original styles. Sharp cutting

from new generation designers was the big difference between the two fashion capitals.

The designer Hedi Slimane seems to have gotten under the skin of Yves Saint Laurent, taking the house back to the subversive, slim-line sexiness of its 1970s roots. Slimane sent out a trench coat cut like a bathrobe lapping a wet body, tuxedo coats as sharp as a knife and silky tops with a butter-soft cowl neckline.

The graphic collection, almost entirely in black, with shades of gray and a shot of electric blue, had attitude; you could imagine rock stars snaking narrow hips in the taut-cut pants and flexing muscled pectorals in the gauzy shirts. "I like the idea of paradox, between the authentic fabrics and sophisticated shapes and between masculine and feminine," Slimane said. "I'm not so much for sportswear. I think it's over."

Raf Simons is another designer with a sly, modern take on tailoring. He endorsed the cape — as a tailored cloak or serape wrap. It made for powerful outerwear, along with short, sharp coats and Simons's signature sleeveless jackets and taut-hipped baggy pants.

The feeling for romance comes with tactile fabrics, feminine touches and especially with color. The Japanese designers, once famous for a black aesthetic, are creating a quiet revolution. Last season, Rei Kawakubo launched new romantic menswear with filled linings. For fall, she followed through the theme, using soft dusty pink, cranberry, gitanne blue or lovat green for her square-cut jackets. Hawaiian leis were then tucked nonchalantly into collars or flowers spilled out from a pocket.

But what were those strange accessories: Queen Elizabeth-style silk head squares, necklaces and even tiaras? They brought a quirky sense of humor to utilitarian clothes such as zippered jackets, smartened up with pull-on overshirts, or to wrap-skirts over pants. A dash of embroidered plaid, white, yellow and gold topstitching and a flash of an apricot sock were designed, Kawakubo said, to "give an overall feeling of joyfulness and happiness."

The faces of the seven gypsy groups who modeled Yohji Yamamoto's show gave character to the textured, tailored, tweedy and checkered clothes, generously cut to big proportions. Discovered by the designer at a festival for the modern dance director Pina Bausch, the gypsies also brought Roman colors: a paprika velvet vest glowing under a camel coat; a busser red scarf against a loden green suit and pieces in shades from leaf green through burgundy. All this was used on a backdrop of Yamamoto's signature tailoring and the audience rose to applaud not just the gypsy bands, but also a designer who brings poetry to fashion.

Dries Van Noten embraced romance, with cut-away, multibuttoned jackets, long tailored coats and rakish hats. Instead of the designer's familiar ethnic touches, there were ribbons tied



Yves Saint Laurent's narrow belted bathrobe coat.

around jacket sleeves or dangling from cuffs or ankles. Behind the new styling, with shiny neckties, the hats and long gloves with sleeveless tops, were Van Noten's strong individual pieces, especially sweaters with crunchy, argyle and lattice patterns. On tape, the bold red, yellow and sharp green looked strong against the mellow wood of a Paris library.

So sportswear was out at the Paris shows? It seemed rather to be incorporated into luxurious modern clothes, so that Lanvin's collection was played out in pale colors and shiny fabrics to give light and shade to parkas, hooded sweat tops and sweaters that were tactile in their furry finishes and cable stitches.

Rykiet Homme was also strong on sweaters, striped in green and brown camouflage colors to go with the military feel of khaki parkas, leather coats and corduroy jackets, shown with woolly hats and rubber boots.

Nothing can stop menswear at the end of the century from being defined by athletic looks, but there is a sense of something different stirring among the international designers who congregate in Paris.

## Armani Sport: A New Label?

International Herald Tribune

**L**ONDON — Giorgio Armani Sport. It has a nice ring to it — and that is the label under which the Italian designer is planning to group his active sportswear lines for skiing, golf and some jeanswear.

"I want to make the reality of the sports clothes more evident," said Armani, who opened his fall/winter collection in Milan last month with red and black quilted parkas from the "Neve" or snow line. The sports influence permeated the show, where both the Emporio and Giorgio Armani couture lines were loosened up — casual tops with suits, side zippers at sweater necklines and easy knitwear with interesting stitchcraft.

The fabric research produced unexpected marriages of techno materials fused with cashmere and double-faced fabrics so light that the knee-length coats drifted like a breeze. Collars reduced to mini-size and the deliberate removal of extraneous details made elongated suits, snee jackets, bias-stitched sweaters and Asian-style evening jackets seem aerodynamic and modern.

## Casual Klein Opens in Paris

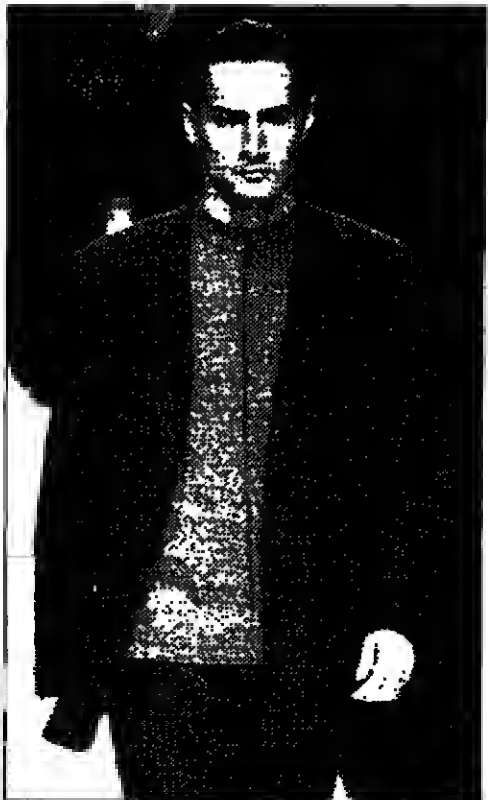
International Herald Tribune

**P**ARIS — Liberty, utility, modernity — that is the creed of Calvin Klein as he opened a menswear store last week on Avenue Montaigne. After showing his fall collection in Milan, based on work and military clothes, the American designer will bring to Paris his flight jackets, pea coats and bomber jackets, in luxurious natural fabrics or techno materials.

"The best clothes are inspired by the cut of uniforms," said Klein, whose crisp cotton work shirts contrast with padded fleece track pants, sleek leather coats and soft washed fabrics that the designer said feel "worn and personal."

Bringing the silhouette closer to the body, but still with a square cut for the upper half, Klein focuses on casual ease. "When I grew up in the 1950s, men were uptight about clothes," he said. "Now they are no longer insecure about dressing the way they want."

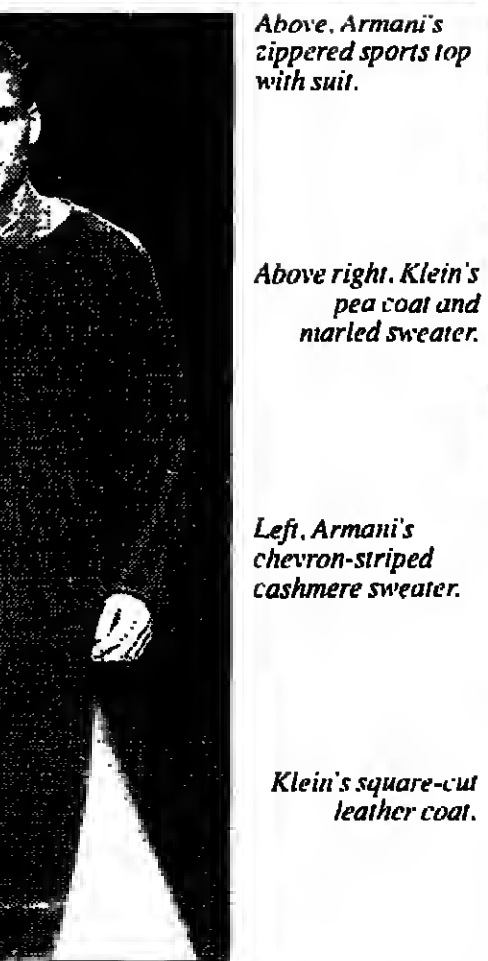
Suzy Menkes



Above, Armani's zippered sports top with suit.



Above right, Klein's pea coat and marled sweater.



Left, Armani's chevron-striped cashmere sweater.



Klein's square-cut leather coat.

## CROSSWORD

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- 21 Enticed
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- 23 They're apt to get into hot water
- 25 Sweetie

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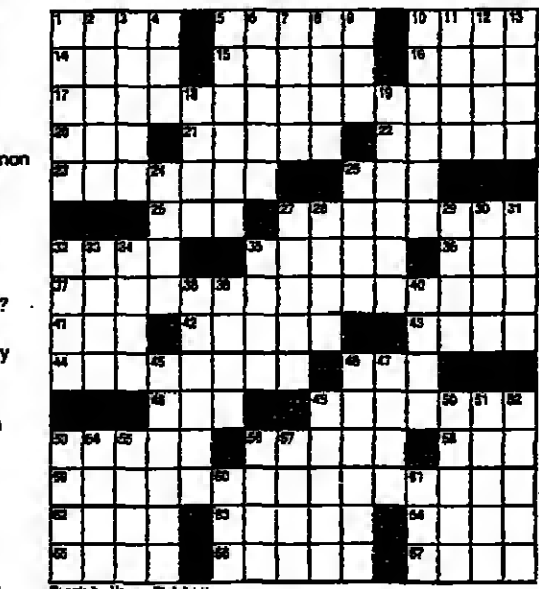
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- 42 Western "necktie"
- 43 Revival meeting cry
- 44 Deficiency
- 45 Pale
- 46 OPEC export
- 47 Filled in

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- 34 Plait
- 35 Eggs
- 36 "Georges paints as he pleases?"
- 37 Exploit
- 38 Appropriate
- 39 Marquis de —
- 40 Recipe ants.
- 41 Schnozzles
- 42 Ogled

### DOWN

- 37 Exploit
- 38 Appropriate
- 39 Marquis de —
- 40 Recipe ants.
- 41 Schnozzles
- 42 Ogled



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### Solution to Puzzle of Feb. 1



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# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Democracy for Chinese

With China's economic growth now faltering, Communist Party leaders are worried that the millions of remaining rural and urban poor could become a growing source of political unrest. In recent months there have been scattered, and occasionally violent, protests by workers and farmers angered by unpaid wages, onerous taxes and official corruption. Instead of reflectively responding with repression, the government ought to follow the example of a brave township that has turned to democracy to give citizens a greater sense of control over their lives.

The collapse of Asian markets, bankruptcies of Chinese investment companies and the problems of state-owned industries have drastically slowed China's pace of urban job creation. That has all but exhausted the capacity of cities to absorb unemployed and impoverished rural residents who have poured by the millions into urban areas in the last decade. Managing the hundreds of millions of Chinese who have not yet seen the benefits of the economic growth may be the biggest challenge facing the party leadership.

A few weeks ago, some party leaders in Sichuan Province came up with an enlightened and creative response to this challenge, encouraging wider local democracy as a healthy outlet for popular discontent. They organized China's first democratic election for township leader, in the Sichuan township of Buyuan. This is a position with important decision-making responsibilities. Previously, only politically insignificant village offices had been put to competitive votes.

Voters chose among three candidates by secret ballot after listening to 13 public debates. As it turned out, the candidate backed by the Communist Party was elected. But even supporters of his defeated opponents are pleased, noting that the government now has more democratic legitimacy.

But the prospects for future township elections are unclear. Top leaders in Beijing oppose such experimentation, although perhaps not unanimously. The Legal Daily, an important national party newspaper, responded to the events in Buyuan with an editorial that praised the spirit of local democracy but noted that township elections overstepped current Chinese law.

China's most important leader, President Jiang Zemin, has meanwhile been orchestrating the arrest of prominent democratic intellectuals and their sentencing to long prison terms. Suppressing dissent and a desire for greater democracy is a tyrant's answer in public discontent, but it is not a viable long-term policy in a nation with rising economic and political expectations and increasing disparities in wealth.

—THE NEW YORK TIMES

## Intrigue in Amman

The new arrangements made for his succession by King Hussein of Jordan rather up the political uncertainty in a corner of the Middle East long thought to be uncommonly stable. Briefly interrupting a six-month stay for cancer treatment at the Mayo Clinic, the 51-year-old brother, Hassan, with his 36-year-old eldest son, Abdullah, the new "crown prince," a career army officer, heads the special forces, a key unit in the kingdom's key institution of the military; otherwise in politics and policy he is regarded as untested.

The current agitation arises first from the approaching end of King Hussein's 47-year reign. He has made major errors, among them the opening he gave Israel to seize the West Bank in 1967 and the support he rendered Saddam Hussein in the Gulf War of 1990-1991. But overall he has served well the purpose — bringing stability — for which the British first set up his family to rule. The military runs all the Arab regimes; Jordan's is poor and prey to corruption but relatively open, consula-

tative and free of heavy repression. Jordan's prime asset is King Hussein. By his modest, shrewd and dignified personal style and by his mostly skillful handling of his demanding neighbors (Israel, Syria, Iraq) and ambivalent majority-Palestinian citizens, he has won the West's sympathy and respect. For decades a discreet interlocutor of Israel, a country he needs for regional balancing, he made a formal peace in 1994.

Arab political society is abuzz with tales of the ambition and intrigue supposedly behind the dumping of the crown prince for another. The king himself fed the fire with sensational public charges of meddling and power grabbing against a brother who had served him as dutiful understudy for 34 years — and whose wife redecorated royal premises during the king's medical leave. Having had four wives, five sons and six daughters, King Hussein is in no position to report that palace intrigue is over. Friends of his and Jordan's must wish him good health.

—THE WASHINGTON POST

## George Washington

This year marks the bicentennial of George Washington's death, on Dec. 14, 1799, at age 67. If he seems older than that in the late-life portraits, it is because he lived a long life by any standard, when measured by the accumulation of notable events and actions. But he also seems older than chronology suggests by virtue of a historical illusion, which prevents every illustrious figure depicted in an era before photography from inhabiting the moment of his proper age.

You cannot see the true youth in Washington at 40, painted by Charles Willson Peale, nor the true age in Washington at 64, painted by Gilbert Stuart. Our kinship with the past is profound, but the past can be unimaginable. That is what makes an exhibition called "Treasures From Mount Vernon," on display at the New York Historical Society until Feb. 22, so moving.

Biography is always an act of inference, and Washington requires a little more inferring than most subjects. Apocryphal, some say, has made him hard to know. But Americans have had a lot of opportunity to think about what it means to know a president recently, and that fact makes it easier to value what we do know about his character. Most of his life, from a very young age, was lived in public. As far as the historical evidence shows, the public and private man were never in conflict, except for his frequently stated longing for his forsaken home at Mount Vernon.

Washington is more intelligible as a man with public and private vocations — statesman, general, farmer — than as a man with public and private characters. Judging by his letters and the recollections of his contemporaries, to

know him was not to catch him in some unguarded moment or some inherent contradiction of character, of the kind that Jefferson might be caught in. It was to meet him in the context of his vocations and to discover their consistency with the man, which is something we have been wondering how to prize.

"America has been almost amused out of her liberties," Washington once wrote. That is a striking sentence, and it would be interesting to know how it sounded in his own voice. The exhibition at the Historical Society is the next best thing — a distinctive gathering of Washington's possessions from Mount Vernon, some of which, like his suits of clothing, help us grasp the very modern size of this man.

Seeing his surveying tools, his packbags and spurs, his swords, you can almost feel the tendency of the Washington myth — composed mostly of Americans' ignorance — to exhaust the historical reality of the objects gathered here. But the reality of this man, elusive as it may be, cannot be insisted upon too much.

—THE NEW YORK TIMES

## Other Comment

### Unlearning Lawlessness

Many societies do not have the cultural, social and political infrastructure a free economy requires. The most obvious expression of this deficit is the large-scale lawlessness that prevails. For a people to be basically law-abiding requires a mentality, personality and culture that took the West centuries to evolve.

—Amir Etzioni, quoted in The Washington Post

## The News Looks Good for Emerging Economies

By David Hale

CHICAGO — A series of microeconomic failures set the stage for the financial crisis in developing countries. Developments in these critical sectors, including bank regulation and corporate governance, will determine how emerging markets recover.

The good news is that policy initiatives in Asia, Latin America, Africa and Eastern Europe in the past 12 months have aimed at correcting the factors that caused the crisis.

Many countries are opening up their financial sectors to much higher levels of foreign investment than before. Argentina now has almost half of its banks' assets in foreign-controlled institutions. Estonia's two largest banks will soon be foreign-controlled. Thailand has only just begun the process of bank recapitalization, but its financial sector will probably be at least half foreign-owned in three years. The same will probably be true of Indonesia.

Countries which restricted all forms of foreign investment, such as South Korea, are opening up to foreign capital on an unprecedented scale.

Asia will never fully embrace the Anglo-Saxon model of capitalism, but the new emphasis on transparency and openness can only enhance the ability of shareholders to influence management decision-making.

Governments of many countries hit by the crisis are adopting sensible policies to help their corporate sectors cope with recession and the difficulties of obtaining access to the global capital market. Singapore, for example, has carried out a large cost-cutting program designed specifically to bolster corporate profits, while some of its government-linked companies have announced rationalization programs to make themselves more efficient.

South Korea has repealed many restrictive labor laws to enable firms to restore profitability by restructuring.

South Africa is letting the Anglo American group domicile itself in London to get better access to global financial markets; and it is adhering to its declared policy of privatizing large state-owned enterprises, despite the recent turmoil in financial markets.

Developing countries with high interest rates and stable exchange levels are seeking new ways of discouraging their corporate sectors from overborrowing in dollars, as Asian companies did in the first half of the 1990s.

In another significant reform, many of those countries are trying to reduce their dependence on foreign capital inflows by promoting the development of pension funds. Ten years ago, Singapore and Malaysia were the only developing countries with large pension funds. Chile followed in the late 1980s, and more recently Argentina, Mexico, Thailand, Hungary and Poland have moved in the same direction.

If this trend continues, there could be more stockholders in the developing countries than in the old industrial countries. Such a development will encourage further growth of domestic savings, and debt and equity markets.

The increase in ownership of corporate equity by pension funds will create an important new shareholder constituency that will force management to focus more attention on company profitability. In the past, Asian manage-

ments were typically accountable only to families, banks or governments.

China's equity market has grown from nothing in 1990 to more than \$250 billion today. However, many of its leading companies have had to use offshore listing in Hong Kong and New York to obtain capital because there are still exchange control restrictions on foreigners investing directly in the Shanghai or Shenzhen markets.

Chinese companies in the domestic market offer less protection for shareholders than the companies listed offshore. China will have to enhance the rights of minority shareholders at home as it develops a larger population of shareholders and investment institutions, such as pension funds.

The microeconomic reforms under way in developing countries will take several years to become fully effective. Concepts such as foreclosure and bankruptcy are still much less developed in the legal systems of Thailand, Indonesia and other developing economies than in countries which were formerly part of the British Empire, like Singapore and Malaysia. But the trend of the reforms triggered by the crisis is clear.

There will be far more convergence in standards of corporate disclosure, systems of financial supervision and legal definitions of property rights between the developing countries and the industrial nations than existed before.

Such reforms cannot guarantee that the developing countries will never again experience a banking crisis, but they will greatly lessen the risk of a recurrence of the recent financial contagion. The effort of the Group of Seven leading industrial economies to turn the IMF into more of a crisis prevention

agency, rather than merely a lender of last resort during crises, should help to ensure that the structural reforms now occurring continue.

There is always a risk that some countries will try to withdraw from the international system rather than reform, but so far only Malaysia has embarked on a clearly isolationist policy. The fact that its currency has not shared in the recent rally of other Asian currencies suggests that it is unlikely to attract many imitators. On the contrary, countries that have long restricted capital inflows through special penalties, such as Chile, have recently eased those barriers.

As a result of the price declines in the past year, the emerging market countries now account for only about 6 percent of global stock market capitalization, despite the fact that they represent 45 percent of global output, 70 percent of the world's land area, 85 percent of the world's population, and 99 percent of projected growth in the global labor force during the early decades of the 21st century. Such an imbalance cannot last if those countries carry out effective microeconomic reforms.

The odds are high that the current crisis is a historic turning point. It will probably be seen as the event which laid the foundation for much stronger systems of financial supervision and protection of shareholder rights than existed before in the developing countries.

The writer is global strategist for the Zurich financial services group in Chicago. This column was adapted by the International Herald Tribune from the latest issue of his Global Economic Observer.

## Punish the Murderers? It Isn't as Clear-Cut as It Seems

By David Fromkin

NEW YORK — The laws of war, spelled out in the Hague and Geneva conventions, impose limits and restrictions. So do the constitutions and statutes of countries, which also impose penalties. But these are ineffective in restraining or punishing a murderous government. Individuals in government are legally shielded in their official performance, while governments themselves cannot be sued without their consent.

Is nobody to be held responsible for a country's crimes? Do governments have a permit?

In this century of mass murders, a body of opinion has come into being that will not accept the validity of licenses to kill. When human rights violations are exceptionally vicious, when crimes against humanity are committed, when there is aggression or massacre or genocide, we question the immunity both of the individuals who gave the orders and of those who carried out the orders.

The Nuremberg judgments were a landmark, but they gave rise to concerns that are still with us. The Nazi war criminals who were on trial there were guilty, but Soviet representatives were among those sitting in judgment, and Stalin was guilty of many of the same deeds as Hitler and on a similar scale.

A trial in which the accusers, prosecutors and judges were on one side, the accused on the other, was inherently flawed. Only if the vanquished could have convicted the victors as well would the Nuremberg proceedings have expressed our sense of due process.

It is not at all clear what we should think, for example, of war crimes trials in the former Yugoslavia. If atrocities were committed by 100,000 people, to pick a figure at random, and if in the end 100 were brought to trial and imprisoned, would it be a step forward, because a few of the guilty were brought to justice, or would it be a fiasco, because almost all of the guilty went free?

The Khmer Rouge leaders who ruled Cambodia in the 1970s were responsible for the deaths of more than a million people. What about the Khmer Rouge functionaries accused of having been members of the killing squads, but who claim to have acted in fear for their own lives? Are they guilty nonetheless? And if tens of thousands of these people are guilty, how as a practical matter can so large a number be tried and punished?

In Cambodia, at least, there are no distracting questions of jurisdiction. The crimes were

committed in Cambodia by Cambodians against Cambodians. The Cambodian government and courts have the right to deal with them as they see fit.

Questions of jurisdiction continue to vex proceedings in the British House of Lords, where the question of the responsibility of Augusto Pinochet for the actions of his regime in Chile is entangled in prior questions of sovereign im-

munity and of the forum in which the case should be tried.

Terrible things were done in the Pinochet years. For those who fear a return to the dark days if he is harmed, it is a reason for leaving him alone.

The editor of a Cambodian newspaper recently wrote an article on the Khmer Rouge that made a similar argument. To safeguard the living, he wrote, "it is better not to find justice for the dead." In dealing with the Khmer Rouge, Cambodia is

faced with questions not only of law and morals but also of politics. The welfare of the people may take priority over other considerations.

So should murderers be punished? The answer is much less clear than one might think.

The writer, author of "The Way of the World: From the Dawn of Civilizations to the Eve of the Twenty-First Century," contributed this column to The New York Times.

## Cambodia's Past Is Its Own Business

By Adam Garfinkle

WASHINGTON — That international tribunals exist to deal with the great uglinesses of Rwanda and Bosnia means to many that there is nothing odd about a replication for Cambodia. But the U.S. government's decision to seek such a tribunal is odd.

The horrors of Rwanda pitted Hutu against Tutsi, and those of Bosnia Serbs, Croats and Bosnia Muslims all against one another. The atrocities of Cambodia represented instead a nearly pure political and ideological madness, not an ethnic or religious one. For this reason, the application of the term "genocide" to what happened in Cambodia from 1974 to 1979 is improper.

Genocide, properly understood, is the attempt by one people to exterminate another, discernibly different, people, whether different on ethnic or religious grounds. If there was a genocide in Cambodia, it was a sui-genocide, a phenomenon recognizable in this century at any level only in Communist countries — Cambodia, China and the Soviet Union.

This is the truest measure of the sickness that was Leninism: that it amounted to mass political cannibalism. It was the fullest expression of the socialist idea based on envy and demands, which demands endless social leveling to satiate that envy. Leninism militarized this basic impulse, and the Maoism evident in Cambodia realized it.

The phenomenon of Communist revolutions eating their own is simply Cain killing Abel over and over again. And what business is the fate of two aged and defeated killers, Khieu Samphan and Nuon Chea, to the U.S. government? Who gave the sitting U.S. administration a right to insist on legal proceedings with respect to another sovereign state?

To presume such a right is consistent with much recent American pontificating. The U.S. government sounds these days like the mother-in-law of the world, with an opinion and a point of view about everything. Has no one in the upper reaches of the Clinton administration ever heard Bismarck's counsel that it is "unworthy of a great state to dispute over something

which does not concern its own interests?"

This is not just bad diplomatic etiquette. It reflects an attitude defining the U.S. administration's delusions of historical grandeur — namely, that we live in "the American moment" in international history.

According to the present stewards of U.S. foreign policy, "globalization" defines the benign, transformative marriage of American power and values in the world as a whole. America has become not only the "indispensable nation," as the secretary of state puts it, but also, in its own eyes at least, a power so uniquely benign that it arrogates to itself the right both to make the rules of international order and to excuse itself from being bound by them.

Thus has evolved a double standard wherein Americans find it natural to insinuate themselves into the affairs of others but cannot imagine others doing the same to them. Implicit in the proposal for an international tribunal to deal with Cambodia's historical travails is the assumption that Cambodians are incapable of conducting their affairs. Not only is this assumption untrue, it is destructive.

For years, Cambodia's problems have been compounded by its factions trying to trick and tease foreigners into coming to their exclusive aid. To continue this practice is to further infantilize Cambodian politics.

The writer, executive editor of the quarterly National Interest, contributed this column to the Los Angeles Times.

## More Civilian Victims Than Ever

By Stephen S. Rosenfeld

WASHINGTON — February 1970 on the Suez Canal: Egypt and Israel had called off their "war of attrition" for a day to let foreign journalists tour the canal. Suddenly word came that the Israelis had struck. The Egyptians, smart, swift and the hus-

curve in a ramshackle, transparently civilian town called Abu Zabal we saw a bombed out metal-rod factory, everything broken and tipped over. At a nearby hospital, survivors shrieked in mourning of a reported 50 dead.

At first, according to the Egyptians, the Israelis described the target hit as an "army camp," later conceding "navigational error."

In a few days I interviewed the Israeli chief of intelligence in Tel Aviv. He showed me the actual knee pad with photo map that the pilot had worn, and a map of Abu Zabal: almost exactly the same big curve in a canal, almost exactly the same pattern of roads and fields. It was indeed a navigational error.

Except that at 500 miles (800 kilometers) an hour at an altitude of 300 feet (90 meters), such stunts, even when done by Israel's vaunted Phantom pilots, were less errors than the predictable results of the chosen battle mode of high challenge and stress. Civilian damage and death go with the mission.

This flashed into my mind the other day when Iraqi air defenses had gone astray. The missile was one of the hot new AGM-130s designed to allow U.S. warplanes to deliver a ton of explosives greater distances and with greater precision.

No doubt the weaponry is much improved in three decades. But I doubt that the improvements can anticipate and separate out all the different kinds of accidents that are possible in the strategic alphabet. It troubled me then, and it troubles me now.

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The reigning image of contemporary warfare borrows heavily from the Gulf War photos of missiles disappearing down air vents. But the irreducible reality remains the prospect of misfires on account of the frailties of designers and operators alike.

Moreover, some number of those misfires are bound to come at the expense of friendly, not enemy, forces. The days of machines fighting machines, practically without human contacts or casualties, are still a long way off.

When the wrong targets get hit, people worry that the other guys, here the Iraqis, will be given a propaganda windfall. A countering effort is made to shift the onus for such casualties to the Iraqis for sprinkling military targets in civilian zones. This may be a valid political exercise, but there can be no comfort for Americans in waging or even winning this sort of propaganda war. The actual victims of the shooting cannot be brought back.

Dual-use targets sharpen the dilemma. For instance when, as in the Gulf War, you

hit the electric power stations serving not only military usages but also civilian usages, such as public water and sanitation facilities.

That the resulting civilian casualties were and continue to be extravagantly high by American standards cannot be dismissed as simply the product of the viciousness of Saddam Hussein. It was American bombs and missiles that were the instruments of the toll.

In such difficult circumstances, a certain calculus must be done weighing the costs of permitting Saddam Hussein to stay in power unperturbed and the costs of doing what is necessary to hasten his departure. It is a contest between the damage he has done and yet may do and the damage that outsiders may do in attempting to contain or remove him.

Not just a sense of urgency but a sense of proportion must govern such calculations. There must be a readiness to address the question of one's own responsibility in a way that produces neither rampant license nor stifling paralysis.

The Geneva codes are meant to protect, among others, innocent civilian populations. But a glance around the world reveals instances after instance where civilians are at massive risk — where they are in fact singled out as targets because they occupy land or property that others covet, or provide the network of sanctuary and support that allows soldiers to move to battle.

Our fading century has surely seen more fearful innocents dead or on the move from danger than any other. And it is not over.

The Washington Post

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1899: Canal Bidding

WASHINGTON — The Panama Canal Company will offer to sell to the United States the controlling interest in their waterway. If the offer is not accepted, the company will close the pending deal, whereby the Panama Canal will pass into the exclusive control of Russia, France, Germany and Austria. Arrangements to this effect have already been made.

### 1924: Dramatic Riot

PARIS — A riot broke out at the Comédie-Française during the much-discussed drama "Le Tombeau sous l'Arc de Triomphe." There were roars of protest, yelling and whistling. The Balcony shook its fists at the logs and the logs waved their fingers before each other's noses in violent discussion. And what was it all about? A son's defiance of the traditional French

respect for paternal authority. Even when the father and son were reunited, the audience was hardly ready to accept the reconciliation. A bedroom scene at the Comédie-Française fails to shock them, free love they accept easily, but this last is "anarchy," as one old man yelled.

### 1949: Korean Clash

SEOUL — Fighting is going on between several hundred North Korean Army troops and the South Korean Army and police forces near the 38th parallel, the border separating the two sides, according to press reports. The reports said the North Koreans reached the outskirts of Chong Dan, a city three miles south of the parallel in American-occupied South Korea. The North Korean troops were said to be using mortars. Officials in Chong Dan asked that reinforcements be sent to the area immediately.

## Herald Tribune

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 The Associated Press

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**Continued on Page 17**

## AAA Wins Bidding for K. Insurer

**Thinking Ahead** / *EU's Parliament*  
 Its struggle reflects the Q

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TUESDAY, FEBRUARY 2, 1999

PAGE 11

## AXA Wins Bidding for U.K. Insurer

Compiled by Our Staff From Dispatches

LONDON — AXA SA strengthened its hand in Europe on Monday by winning the takeover fight for the British composite insurer Guardian Royal Exchange PLC for £3.45 billion (\$5.67 billion).

AXA outbid Royal Sun Alliance and Eurokko, a grouping of seven European insurance companies. Chairman Claude Bebear said the acquisition would complement AXA's strategy of takeovers around the world. AXA has spent \$14 billion over five years buying companies that handle life and casualty insurance, mutual funds and pensions.

"It's like a supertanker under full steam," said Laurent Imbert, a fund manager at Offima Gestion. "Once it's under way, it's very difficult to stop or turn around. AXA's in a very good position to go on buying."

AXA will buy Guardian Royal through its British arm, Sun Life & Provincial Holdings PLC, in which it holds a 71.6 percent stake. Guardian Royal shareholders will receive 249 pence and 0.243 new Sun Life shares for each share they hold, valuing the stock at about 389 pence.

AXA said the deal would make Sun Life the third-biggest general insurer in Britain and the biggest in Ireland.

Sun Life plans to sell Guardian Royal's U.S. business to Liberty Mutual Insurance Co. for \$1.47 billion while passing on its German operations to AXA Colonia for 1.66 billion Deutsche marks (\$964.6 million).

Shares in Sun Life fell 59 pence to close at 530, and AXA shares fell 1.20 euros to 126.60 (\$144.12). Analysts said AXA had paid too much for Guardian Royal. "The price is over the top," said Chris Hitchings of Commerzbank, adding that the British insurer's domestic business "is very poor quality."

Sun Life said the deal would enhance earnings this year, and AXA forecast it would dilute its earnings slightly this year and add to earnings starting in 2001.

The companies said some jobs would be cut. "It would be measured in hundreds rather than thousands," Sun Life's chief executive, Mark Wood, said.

Guardian Royal has 17,500 employees worldwide, 9,000 of them in Britain. (Reuters, AFP, Bloomberg)

## Music Firms in a Fret



Recordings by the guitarist Billy Squier, left, can be received on the Web. Howard Singer of AZB Music, right, says the client base is growing.

## Free Songs on Web: Beat Gets Louder

By Jon Pareles  
New York Times Service

NEW YORK — For the music business, it was a harbinger. A Scottish rock band, the Jesus and Mary Chain, played during last summer's Intel New York Music Festival, and two hours later their live performance of "Virtually Unreal" was on the Internet for the group's fans worldwide to download and listen to on their computers.

Commercially speaking, it was small potatoes: a technology demonstration by an alternative-rock band with a devoted following but not a mass public. Yet the uploading of "Virtually Unreal" presaged a day when most recorded music would be available as digital information, distributed not on discs and tapes that have to be manufactured and shipped but as data files that can be sent instantly across the Internet.

The Jesus and Mary Chain gained valuable publicity from their World Wide Web demo. But, equally significantly, the band and its label, Sub Pop Records, received not a dime from the thousands of fans who grabbed the song off the Internet.

## Easing the Search

New York Times Service

NEW YORK — Even as the recording industry struggles to cope with on-line music distribution, the public is finding it increasingly easy to search for digitally retrievable songs, both licensed and unlicensed.

Lycos Inc., a popular Internet search service, introduced Monday a vast database of a half-million files available for downloading in the MP3 format.

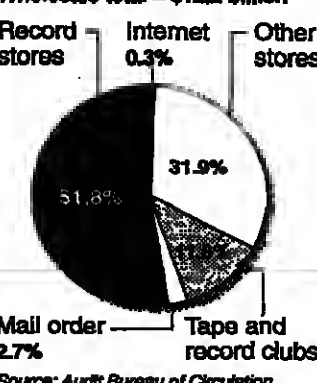
This new data base, at [mp3.lycos.com](http://mp3.lycos.com), is a highly focused search engine that will scour the World Wide Web for sites with MP3 files, the company said.

That shows why the record industry is worried: It is easy to find music away from the Internet. In fact, thousands of songs now circulate freely in a technical format known as MP3, an easy way to swap recordings, authorized and unauthorized, as computer

## Music Channels

Sales of music over the Internet still make up a tiny fraction of all music sales, but that is expected to change in the next few years.

1997 MUSIC SALES BREAKDOWN  
Wholesale total = \$12.2 billion



Source: Audit Bureau of Circulation

## Brazil's Currency Gains As IMF Official Arrives

### Economist's Visit Raises Hopes for New Funds

Compiled by Our Staff From Dispatches

RIO DE JANEIRO — The Brazilian currency strengthened and markets calmed Monday as a top official of the International Monetary Fund flew here to discuss ways to fix the battered economy.

Stanley Fischer, chief economist for the Fund, is to meet with Finance Minister Pedro Malan on Tuesday in Brasilia, the capital. The talks could expedite release of the second installment of a \$41.5 billion aid package.

In December, Brazil received \$9 billion from the IMF and used it to bolster its sagging currency reserves, now at \$36 billion — down from \$74 billion in July. A second parcel might help restore the confidence of skittish investors. But first the two sides must agree on how to stabilize the real, which has plunged since the government devalued the currency Jan. 13 and then let it float freely.

The real strengthened Monday, with the dollar falling to 1.94 reals from 2.06 reals Friday.

The currency has lost 39 percent of its value this month. The benchmark Bovespa stock index closed 8.80 percent higher, at 8,891.03 points.

Mr. Fischer would not say why he was traveling to Brazil, though he said that he believed the real had fallen too much in recent days and that Brazil needed a more "credible" monetary policy.

"There is no question the currency has gone too far, given the underlying strength and policy changes in the Brazilian economy," he said in a speech Sunday at the World Economic Forum in Davos, Switzerland.

When the IMF agreed to help Brazil, it called for the country to hold consumer-price inflation to 2 percent. But Brazilians and the Fund have disagreed on the best way to control inflation in the new era of the free-floating real. After reaching 2,700 percent in 1993, inflation plunged to near zero last year but now threatens to return.

The IMF favors a sharp increase in interest rates to restrict the amount of money in circulation and avert speculation. The problem is that high interest rates would worsen the recession and the government's deficit.

The central bank raised its lending

rate for banks Monday for the fourth consecutive business day, to 39 percent from 37 percent Friday.

"Brazil has put in place most of the fiscal measures that we agreed to in December," Mr. Fischer said, with many steps taken "in the past two or three weeks."

Had the Brazilian Congress passed key budget-cutting measures three weeks earlier, he added, "the crisis could have been avoided."

(AP, Bloomberg)

## Time Warner And AT&T Reach Accord

The Associated Press

NEW YORK — AT&T Corp. has struck a deal to offer telephone service over Time Warner Inc.'s cable systems in 33 states, greatly advancing the long-distance service company's move into local service, the companies said Monday.

The deal comes as AT&T is close to completing its purchase of Time Warner's biggest rival in the cable-television industry, Tele-Communications Inc.

AT&T and Time Warner expect to begin offering the new service in one or two U.S. cities by year-end and to begin broader commercial operations next year.

AT&T said the Time Warner deal, its purchase of TCI and arrangements with other cable companies would give it the potential to supply local phone service to 40 percent of U.S. households, or 35 million homes, within five years.

AT&T said it was talking with other cable operators about deals but declined to elaborate. In addition to phone service, the new venture will offer interactive digital television and high-speed Internet service.

AT&T's shares rose \$2.875 to close at \$93.625.

## Thinking Ahead / Commentary

## EU's Parliament Grows More Assertive

### Its Struggle Reflects the Quest for Accountability as Europe Unites

By Reginald Dale  
International Herald Tribune

WASHINGTON — Back in the 1950s, when European idealists were more plentiful than they are today, many of them hoped that the institutions of a united Europe would develop along American lines: The European Commission would evolve into a powerful White House-style executive, perhaps with a popularly elected president; the European Parliament would become the equivalent of the House of Representatives, and the Council of Ministers would be like the Senate.

Of course, that has not happened. Virtually from the start, national governments made sure that their own body, the Council of Ministers, would be the dominant institution.

Governments have helped to maintain their primacy by obliging the Parliament to hold its main sessions in out-of-the-way Strasbourg and by strictly limiting its constitutional role. They have weakened the commission by the low caliber of commissioners they have often (though not always) sent to Brussels.

Almost imperceptibly, however, the Parliament has been gaining incremental increases in its powers. Now it has more authority following last month's show of strength, in which it nearly dismissed the entire commission in Europe's Little League version of the U.S. impeachment process.

What seemed to many outsiders like abstruse and childish bickering between the two institutions in fact goes to the heart of how a uniting Europe is to be governed and whether its leaders are to be made more democratically accountable.

The increased influence over the commission that the Parliament has gained with its new assertiveness has been widely noted. Less obvious but perhaps more important is the greater influence the Parliament may now indirectly exercise on the council.

By clearly signaling its impatience with individual commissioners accused of graft or inefficiency, the Parliament has also implicitly warned governments to be more careful in their future appointments to the EU's executive branch.

Parliamentarians are likely to be even readier to flex their muscles after they are re-elected in June, by which time the European Union's Treaty of Amsterdam should have entered into force. That treaty gives the Parliament the right to veto future nominations by the governments for commission president.

The governments are unlikely to get away again with appointing as weak a leader as the current president, Jacques Santer of Luxembourg, who managed both to enrage the Parliament and to undermine his own authority with his ineptness in the latest confrontation.

The Parliament will also certainly look for imaginative ways of influencing the governments' choice of other commissioners, even though it has no right to reject them individually. So much the better.

As the EU pursues deeper economic and political integration and expands into Central Europe, it is essential for its credibility that governments stop using the commission as a wastebasket for unwanted politicians and others whose careers at home are over.

A case in point is the former French prime minister Edith Cresson, now a member of the commission, whose alleged cronyism has particularly infuriated the Parliament. Another is Neil Kinnock, the former British Labour Party leader, who despite rejection by his country's voters is poised to win one of the most important jobs in Europe, vice president for external relations, in the new commission due to take office next year.

The unpopular Danish commissioner, Ritt Bjerregaard, is in Brussels only because she lost a party power struggle in Copenhagen. The list goes on. Most of the best-qualified national leaders know that appointment to the commission almost invariably sounds the death knell of a political career.

If a newly invigorated Parliament helps to end this sorry state of affairs, it will strengthen, not weaken, the commission's authority. It might even judge the EU a tiny step closer to the more balanced institutional structure that its founding fathers intended.

E-mail address: [Thinkahead@washpost.com](mailto:Thinkahead@washpost.com)

## CURRENCY RATES

Cross Rates								Feb. 1								Other Dollar Values								Feb. 1							
	\$	£	SF	Yen	CS	Dane	Greek	Swede		Peru	Currency	Peru	Currency	Peru	Currency	Peru	Currency	Peru	Currency	Peru	Currency										
London (0)	1.4045	—	2.3261	188.84	2.0734	10.795	466.04	12.832	Argentine peso	0.0996	Hong Kong dollar	219.23	N. Zealand \$	1.6382	S. Korea won	37.24	S. Africa rand	6.028	S. Korea won	37.24											
New York (0)	—	—	—	—	—	—	—	—	Australian \$	1.532	Indian rupee	42.60	Mex. peso	2.532	S. Korea won	37.24	S. Africa rand	6.028	S. Korea won	37.24											
Paris (0)	115.55	100.26	81.75	—	76.40	17.71	N.Q.	14.87	Brasilia real	2.20	Israeli sheq.	8.275	Philipp. peso	49.25	S. Korea won	37.24	S. Africa rand	6.028	S. Korea won	37.24											
Frankfurt (0)	1.5085	2.0773	1.0621	1.3109	—	0.2295	0.5313	0.1924	Chilean peso	22.15	Japanese yen	100.00	Polish zloty	28.54	S. Korea won	37.24	S. Africa rand	6.028	S. Korea won	37.24											
Stockholm (0)	1.2225	2.3062	—	1.2233	0.944	21.43	0.5006	0.1818	Czech koruna	22.59	Latvian lats	100.00	Russian ruble	22.60	S. Korea won	37.24	S. Africa rand	6.028	S. Korea won	37.24											
Oslo (0)	—	—	—	—	—	—	—	—	Egypt pound	3.422	Hong Kong dollar	219.23	UAE Dirham	3.672	S. Korea won	37.24	S. Africa rand	6.028	S. Korea won	37.24											
Dan. kron.	13.338	0.6904	1.6089	130.88	1.7123	7.4363	321.10	8.86	Hong Kong \$	7.249	Malaysian ring.	10.000	Singapore \$	1.40	S. Korea won	37.24	S. Africa rand	6.028	S. Korea won	37.24											
Dan. SDR	1.3906	0.8465	1.9668	160.75	2.0973	9.0908	392.47	10.8408	—	—	—	—	—	—	S. Korea won	37.24	S. Africa rand	6.028	S. Korea won	37.24											

Source: Associated Press.

European Cross Rates											
Info-EMU rates are previously fixed											
	Aus	Italy	France	F.F.	DM	US	Line	Portugal	Spain	Gr.	Swede
Aust. Schilling	19.36	34.119	23.47	2.6977	2.2225	17.027	27.077	4.3492	4.8828	5.0728	—
Belgium franc	1.366	2.247	1.2447	0.1368	20.0255	13.271	1.8534	13.2556	10.3125	10.3125	—
Finland mark	0.4221	1.0474	—	—	0.9944	3.24	1.5583	3.3301	2.5847	2.5847	—
Fr. Franc	0.057	1.6340	1.0000	—	1.3529	3.2299	3.2388	3.9794	3.2719	3.5404	—
Gr. Dr.	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	—
Irish Punt	0.0672	1.9322	1.1235	0.12	0.007	0.0047	0.0047	0.0078	0.0078	0.0078	—
Italian Lira	167.14	4799.39	35.26	295.14	990.25	458.16	—	878.74	166.81	161.49	—
Neth. Gld.	0.0081	5.4259	3.766	0.7254	1.9227	2.7981	1.1752	1.9227	1.9227	1.9227	—
Port. Escudo	14.8994	49.9448	32.377	35.5253	10.2135	16.354	16.354	16.354	16.354	16.354	—
Spain Ptas.	170.217	42.146	27.494	25.246	25.246	25.246	25.246	25.246	25.246	25.246	—

Source: Reuters, Bloomberg, and other sources.

Euro Values							
Fixed rates of the EMU member currencies, for one euro							
	10,000	100,000	1,000,000	1,000,000,000	1,000,000,000,000	1,000,000,000,000,000	1,000,000,000,000,000,000
Austrian schilling	13.7603	137.603	1376.03	13760.3	137603	1376030	13760300
Belgian franc	40.3399	403.399	4033.99	40339.9	403399	4033990	40339900
French franc	6.55957	65.5957	655.957	6559.57	65595.7	655957	6559570
German mark	1.93627	19.3627	193.627	1936.27	19362.7	193627	1936270
Italian lire	200.482	2004.82	20048.2	200482	2004820	20048200	200482000
Spanish peseta	166.386	1663.86	16638.6	166386	1663860	16638600	166386000

Private Banking International

# HOW TO BUILD

When you build your factory, you brought together the best professionals to assure the success of your project. Together, you established a meaningful dialogue. They had to understand your desires and needs in order to propose, at each stage of construction, the appropriate solutions. Today, you are proud of the results. When it comes to Private Banking, the philosophy of Cr dit Lyonnais is no different. Before we can help you fully benefit from our skilled specialists and wide experience, we must first listen to you to better understand your plans for generations to come.

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BASEL TEL. 41 61/284 22 22 • ZURICH TEL. 41 1/217 86 86 • LUGANO TEL. 41 91/912 33 33  
PARIS TEL. 33 1/42 95 03 05 • LUXEMBOURG TEL. 352/476 831 1 • LONDON TEL. 44 171/499 91 46 • MONACO TEL. 377/93 15 73 34  
MONTREVID TEL. 598 296 35 14 • MIAMI TEL. 1 305/375 78 00 • HONG KONG TEL. 852/28 26 79 88 • SINGAPORE TEL. 65/335 63 31



The data in the list above is the n.a.v. supplied by the fund groups to Standard & Poor's Microcap SA. It is collected and reformatted into the list below being transmitted to the IHT. Standard & Poor's Microcap and the IHT do not warrant the quality or accuracy of the list, the data or the performance of ideas of the Fund Groups and will not be liable for the list, the data or the performance of ideas of the Fund Groups in any event. The list is not and shall not be deemed to be an offer by the IHT or Standard & Poor's Microcap in and no other representations of any kind, standard or otherwise, shall be made by the IHT or Standard & Poor's Microcap in connection with the list, the data or the performance of ideas of the Fund Groups in any event.



The improvement signaled that industrial output was reviving and may also indicate that investment has begun recovering, analysts said.

A poll of the nation's 600 largest companies taken by the Federation of Korean Industries and released Monday showed that companies

**■ POSCO Chief Assails Waste**  
Pohang Iron & Steel Co.'s chairman said the company had wasted 4.5 trillion won (\$3.83 billion), or a quarter of its total assets, by investing in misguided projects at home and abroad, Bloomberg News reported.

The projects in which POSCO "should not have invested or misjudged the timing," include mini-mills and blast furnaces in Kwangyang in the southern province of Cholla and in Indonesia, Mr. Yon said.

POSCO plans to sell those plants or form joint ventures with foreign partners during the next three years, Mr. Yon said. Such steps are part of the government's privatization plan. (AFP, Bloomberg)

**"Hong Kong's future prosperity will depend on the ability of Hong Kong companies to maintain and improve their competitive positions and international linkages to serve local, national, regional and/or global markets," the report said.**

• **Tesco PLC**, the leading British food retailer, is seeking to form a retail joint venture with **Samsung Corp.**, the South Korean company said. Tesco officials had no immediate comment. *Bloomberg, AFP*

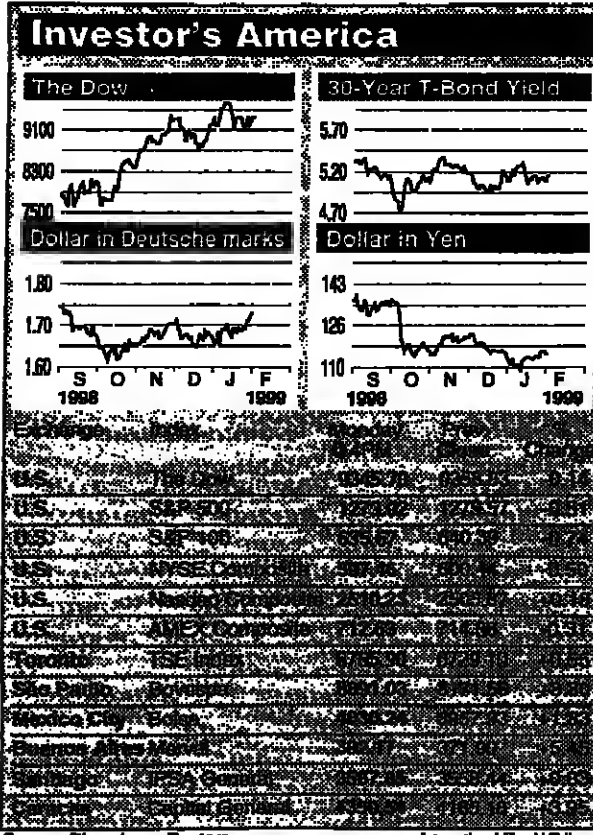
In order to attend the extraordinary general meeting of the shareholders of the Company, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Company or with Banque Internationale à Luxembourg S.A., 69, route d'Esch, Luxembourg.

**THE BOARD OF DIRECTORS**

[illegible]



## THE AMERICAS



## Very briefly:

- Eaton Corp., the world's largest maker of switches, agreed to buy Aerquip-Vickers Inc., a maker of hydraulic controls, for about \$1.7 billion in a move that accelerates the consolidation in the hydraulics industry.
- Aetna Inc., the biggest U.S. health insurer, said its fourth-quarter profit rose 8.1 percent, more than expected, to \$154.2 million, as it benefited from higher premiums and added members to its health plans.
- Gannett Co., the largest U.S. newspaper publisher, said fourth-quarter net income rose 12 percent, to \$257.7 million, on increased advertising at USA Today and strong sales of political ads at its television stations.
- The U.S. Securities and Exchange Commission asked Congress for \$5.9 million next year to update computer systems to keep pace with the increasingly technology-savvy securities industry.
- TheGlobe.com Inc., an Internet company that allows people to set up free Web pages, will buy the on-line department store Azzaz.com for about \$20.3 million in stock to accelerate its move into electronic commerce.

## Weekend Box Office

**LOS ANGELES** — "She's All That" dominated the U.S. box office over the weekend, with a gross of \$16.8 million. Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

Rank	Title	Gross
1.	She's All That	\$16.8 million
2.	Pollock	\$6.2 million
3.	Woolly	\$4.2 million
4.	A Christmas Carol	\$4.1 million
5.	State of Grace	\$3.8 million
6.	The Thin Red Line	\$3.5 million
7.	Stepmom	\$3.3 million
8.	The Prince of Egypt	\$3.2 million
9.	You've Got Mail	\$3.1 million
10.	Al Pacino	\$2.8 million

## U.S. STOCK MARKET DIARY

Index	High	Low	Open	Close
Dow Jones	7198.34	7114.07	7114.07	7114.07
S&P 500	1064.40	1053.25	1053.25	1053.25
Nasdaq	2234.40	2230.30	2230.30	2230.30
AMEX	779.34	771.40	771.40	771.40
Dow Jones Bond	106.40	106.35	106.35	106.35
20 Bonds	106.40	106.35	106.35	106.35
10 Utilities	106.40	106.35	106.35	106.35
10 Industrials	106.40	106.35	106.35	106.35

Index	High	Low	Open	Close
Nasdaq	2234.40	2230.30	2230.30	2230.30
AMEX	779.34	771.40	771.40	771.40
Dow Jones Bond	106.40	106.35	106.35	106.35
20 Bonds	106.40	106.35	106.35	106.35
10 Utilities	106.40	106.35	106.35	106.35
10 Industrials	106.40	106.35	106.35	106.35

Company	Per	Ann	Re	Pay
IBM	12.50	2.50	2.50	2.50
Microsoft	12.50	2.50	2.50	2.50
Oracle	12.50	2.50	2.50	2.50
SAP	12.50	2.50	2.50	2.50
Sun	12.50	2.50	2.50	2.50
HP	12.50	2.50	2.50	2.50
Intel	12.50	2.50	2.50	2.50
AMD	12.50	2.50	2.50	2.50
Nvidia	12.50	2.50	2.50	2.50
ATI	12.50	2.50	2.50	2.50

Company	Per	Ann	Re	Pay
IBM	12.50	2.50	2.50	2.50
Microsoft	12.50	2.50	2.50	2.50
Oracle	12.50	2.50	2.50	2.50
SAP	12.50	2.50	2.50	2.50
Sun	12.50	2.50	2.50	2.50
HP	12.50	2.50	2.50	2.50
Intel	12.50	2.50	2.50	2.50
AMD	12.50	2.50	2.50	2.50
Nvidia	12.50	2.50	2.50	2.50
ATI	12.50	2.50	2.50	2.50

# Fed Session Rohm & Haas to Pay \$4.9 Billion for Morton

## Slows Rise In Shares

**NEW YORK** — Stocks closed mixed Monday, with technology stocks rising but the broader market rally losing steam ahead of a meeting of Federal Reserve Board policymakers.

The Dow Jones industrial average closed 13.13 points lower at 9,345.70, and the Standard & Poor's 500 index ended 6.62 points lower at 1,273.02. Declining issues outnumbered gainers by a narrow margin on the New York Stock Exchange. But the Nasdaq composite was 4.34 points higher at 2,510.23.

Investors were cautious about buying stocks before the Federal Open Market Committee meets Tuesday. Barry Berman, head stock trader for Robert W. Baird & Co., said "the Fed is kind of stock" between an impulse to cool the

**CHICAGO** — Rohm & Haas Co. agreed Monday to buy Morton International Inc. for \$4.9 billion in cash, stock and assumed debt, leapfrogging past European rivals to become the world's second-largest maker of specialty chemicals.

The acquisition of Morton, best known as a manufacturer of salt, comes about a month after Rohm & Haas agreed to acquire LeRon, a maker of plastic additives and electronic and agricultural chemicals, for \$460 million.

Rohm & Haas, whose chemicals are used in products as diverse as shampoos and computer equipment, said it would start a cash tender offer for as much as 67 percent of Morton's common stock at \$37.125 a share.

The remaining shares of Morton, whose products also include adhesives, dyes and electronic materials, would be exchanged for Rohm & Haas shares valued at \$37.125, subject to a trading range.

The transaction includes \$268 million in assumed debt and is expected to close in the second quarter.

J. Lawrence Wilson is to remain chairman and chief executive officer of Rohm & Haas, and S. Jay Stewart, now Morton's chairman and chief executive, is to become a vice chairman of Rohm & Haas and join the board of directors. Two members of Morton's board are to join Mr. Stewart on the Rohm & Haas board.

The acquisition would raise Philadelphia-based Rohm & Haas's annual sales to \$6.5 billion from \$3.7 billion, Rohm & Haas said. It also would strengthen the company's profitable electronic materials business and allow it to cut costs by as much as \$200 million a year as the specialty-chemicals industry consolidates amid falling prices and lower demand from Asia.

"The specialty-chemical industry worldwide is suffering from volume declines, and the only way to get past that is through acquisition," said Chris Crooks, an analyst at Janney Montgomery Scott.

Rohm & Haas shares rose 75 cents to close at \$31.75, while Morton jumped \$9.75 to \$35.625.

Specialty chemicals are typically added to other substances during manufacturing to improve characteristics such as durability, color and flexibility. They are more scarce and sold in smaller volumes than so-called commodity chemicals.

With Morton, Rohm & Haas would surpass rivals such as Rhodia SA of France and Ciba Specialty Chemicals AG of Germany in the \$100 billion industry.

Clariant AG of Switzerland is the world's biggest maker of specialty chemicals, with sales of about \$6.8 billion a year.

"This will extend Rohm & Haas's technology platform beyond its premier position in acrylic chemistry and electronic materials," its chairman, Mr. Wilson, said.

"Morton's technology will add significant expertise in urethanes, powder coatings, plastic automotive coatings and inorganic chemistry," (AP, Bloomberg)

# U.S. Economy Lifts Dollar

**NEW YORK** — The dollar rose against the euro Monday as many investors concluded that European economic growth was no match for the roaring U.S. economy.

The strength of the U.S. economy, as demonstrated by the report Friday that U.S. gross domestic product expanded 5.6 percent in the fourth quarter, was highlighted Monday by signs that the U.S. manufacturing economy was beginning to turn around.

The National Association of Purchasing Management said its index of U.S. manufacturing activity rose to 49.5 in January from 45.3 in December, the first increase in four months.

Heightening the optimism, the White House gave an upbeat assessment of the U.S. economy, predicting that the economy would grow 2 percent this year.

Meanwhile, weak European growth prospects and persistent talk of European interest-rate cuts continued to pound the euro one month after its introduction.

"The market is looking for lower rates in Europe and higher in the U.S. to reflect the respective states of the economy," said Hugh Walsh, a trader at Commerzbank in New York. "Those who have been bottom-

fishing euro have been disappointed."

Still, supporters of interest-rate cuts in Europe were again stonewalled by official denials. The president of the European Central Bank, Wim Duisenberg, said again over the weekend that he saw "no reason" to change the ECB's current 3 percent refinancing rate.

As European labor unrest is again in the spotlight, DIW, a leading German economics institute, said a 3 percent wage increase in Germany trade and industry would be appropriate, compared with the 6.5 percent the IG Metall union is demanding.

The U.S. Treasury secretary, Robert Rubin, rubbed salt into the euro's wounds, urging Europe to bolster domestic demand-led growth.

"Until the currency finds its own equilibrium level, the euro will fall further," Mr. Walsh of Commerzbank said.

The euro fell to \$1.1300 on Friday. The dollar fell to \$1.6412 from \$1.6460.

The dollar fell to 115.05 yen from 116.42 yen. But it rose to 1.4217 Swiss francs from 1.4150 francs.

# MUSIC: Free Tunes on the Web

Continued from Page 11

And countless mouse-wielding music fans.

"All we're trying to create here is the structure by which the content would be labeled in a consistent fashion, to serve whatever business model emerges in the future," said Cary Sherman, a senior vice president and general counsel for the Recording Industry Association of America, which represents labels that account for 90 percent of the U.S. market.

European and Asian recording-industry trade groups support the initiative, along with hardware and software companies including Microsoft Corp., International Business Machines Corp., America Online Inc. and AT&T Corp. To avoid antitrust problems, any standards adopted would be voluntary.

Howard Singer, chief technical officer of A2B Music, an AT&T unit that produces digital distribution software, acknowledged that the pressure was mounting. "Every day that ticks by, there's good news and there's bad news," he said. "The good news is that the potential client base for secure digital distribution is growing. The bad news is that they're also getting used to not paying."

Despite the urgency, some participants say the process could drag on past Christmas. "These are all highly charged, very competitive companies," said Gerry Kearby, chief executive of Liquid Audio, which makes its own software for encoding and playing back music on the Internet and has already amassed a large catalog of digitally distributed music. "We won't be surprised if the process takes a little longer than anticipated."

The labels, of course, are already using the Internet to sell conventional products — compact discs and cassettes — through on-line retailers such as CD Now, N2K and Amazon.com.

That business is expected to exceed \$280 million this year, according to Jupiter Communications, a new-media research company. But the Secure Digital Music Initiative is planning for an era when many consumers will be buying music as downloaded computer files rather than as discs and tapes.

With a uniform standard, embodied in computer codes that all the major recording companies would use, consumers could receive best-selling music directly through modems and play it back using one kind of software.

Once the labels agreed on a standard, a fan could jump to a top band's or a label's Web site, bill the purchase through a credit card and download a song or an album, saving it to the computer's hard drive, recording it onto a CD or transferring it to a memory chip in a portable player. (One such portable device is already on the market.)

In turn, the recording company would know where the music had been sent, could specify whether or how often it could be copied and could tabulate royalties and sales.

Until such a standard is developed, the labels' own rights to recordings are unlikely to make their catalogs available for digital distribution. But while the major labels have hesitated, many of their holdings are already traveling the Internet as files compressed into manageable size via MP3.

This software format — whose name is shortened from an engineering designation known as MPEG-1, Layer 3 — makes it practical to send full songs relatively quickly over the Internet. Independent labels and individual musicians have made their music available in the MP3 format, but the major labels are alarmed by MP3 because the files can be copied without restriction, even sent as e-mail. The vast majority of MP3 songs circulate free of charge. Some musicians encourage this practice. Others shrug and tolerate it.

"MP3s of my music are all over the network," said the rock songwriter and performer David Bowie. "Things that are embarrassing cringe-making, things that I swore never would see the light of day, they're completely available."

Mr. Bowie has founded his own Internet service ([www.davidbowie.com](http://www.davidbowie.com)), whose members have on-line access to rare Bowie music and videos. He said he was considering making some new music available for downloading as MP3 files but that he had a recording contract with Virgin Records, which he said was "ambivalent" about the idea.

Mr. Bowie himself is ambivalent about the industry's Secure Digital Music Initiative. "I'm not sure about uniform standards," he said. "They've never appealed to me. And however much they try and move in that direction, it ain't going to work. Quirkiness and decentralization are what define the Internet, and the idea of trying to formalize it and police it is abhorrent. The Internet is so volatile and idiosyncratic that whoever tries to police it will be beaten."

The recording companies are intent on developing software coding standards that would specify what consumers can do with the music they download. Some songs may be available to be copied at will, or copied once, or not at all; some may be listened to for a day, or a week, or forever. Other codes would dictate royalties to the appropriate recipients — a particularly tricky process when the global Internet meets contracts that change at national borders.

# Exxel and Promodes to Add Argentine Stores

**BUENOS AIRES** — Exxel Group of Argentina and Promodes SA of France said Monday they would spend \$1.23 billion to buy a supermarket chain and add 60 outlets in Argentina, creating the nation's largest retail chain.

Exxel and Promodes agreed to spend \$630 million for Casa Tia, Argentina's fifth-largest supermarket chain, and they

plan to spend \$600 million more over three years to add new stores.

The companies, which bought Tia through Supermercados Norte SA, will control an Argentine retail empire with 123 stores and \$3 billion in annual sales.

"The union of Norte and the acquired chain creates the biggest retail chain in the country by sales, number of stores and number of workers," Exxel and Promodes said.

## INTERNATIONAL FUTURES

Index	High	Low	Open	Close
DRAGON INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
EURO INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
NIKKEI INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
ASX INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
FTSE INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
IBEX INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
SEMI INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
STOCK INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
BOND INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
CURRENCY INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
COMMODITY INDEX (DOW)	1064.40	1053.25	1053.25	1053.25

Index	High	Low	Open	Close
DRAGON INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
EURO INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
NIKKEI INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
ASX INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
FTSE INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
IBEX INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
SEMI INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
STOCK INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
BOND INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
CURRENCY INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
COMMODITY INDEX (DOW)	1064.40	1053.25	1053.25	1053.25

## INTEREST RATES

Index	High	Low	Open	Close
DRAGON INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
EURO INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
NIKKEI INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
ASX INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
FTSE INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
IBEX INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
SEMI INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
STOCK INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
BOND INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
CURRENCY INDEX (DOW)	1064.40	1053.25	1053.25	1053.25
COMMODITY INDEX (DOW)	1064.40	1053.25	1053.25	1053.25







## EUROPE

## Car-Price Gap in the EU Narrows

Compiled by Our Staff From Dispatches

BRUSSELS — The gap separating car prices in different EU countries has narrowed, the European Commission said Monday, but prices are gravitating to the higher rather than lower end of the scale.

"There are indications that many car producers increased prices in so-called cheap markets rather than reducing prices in expensive markets," the commission, the EU's antitrust watchdog, said in its semi-annual car prices report.

The EU's executive body expressed dismay at this trend, which would penalize consumers in Portugal, Spain and the Netherlands, where cars traditionally have been cheapest among EU nations.

Car manufacturers are allowed to set prices freely, the commission competition official Ulrich Krause-Heiber said, adding that he trusted

the sector was competitive enough to prevent consumers from being harmed.

It was the first time in two years that the gap in prices had narrowed. The advent of the common European currency, the euro, on Jan. 1 makes it easier for consumers to compare prices across borders.

The report, based on national price figures collected Nov. 1 but expressed in euros, showed that had become cheaper in Britain as a result of a fall in the pound since May when the previous survey was carried out. But prices were still higher there than anywhere else in the 15-nation bloc.

"This is bad news for U.K. consumers," Mr. Krause-Heiber said. Many British citizens have complained to regulators that they meet resistance from dealers when they travel to other EU countries to take

advantage of lower prices.

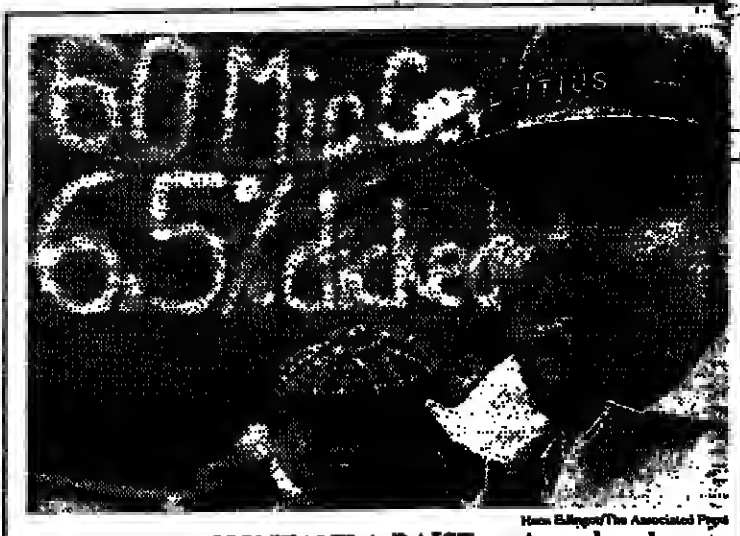
Although the commission cannot regulate carmakers' prices, it can enforce the consumer's right to cross EU borders to seek lower prices. EU authorities fined Volkswagen AG 102 million euros (\$115.4 million) last year for ordering its Italian dealers not to sell cars to Germans and Austrians.

The practice violates an EU exemption from antitrust rules that applies to car-dealer networks.

The commission's report compared pretax prices, as value added taxes and other levies vary from one EU country to another.

In contrast to other goods and services, on which taxes are paid in the country of purchase, consumers in the EU can buy a car in another country duty free and pay the taxes in their country of residence.

(Reuters, Bloomberg)



WHISTLE IF YOU WANT A RAISE — A worker demonstrating in Berlin, one of 26,000 members of the IG Metall union who staged warning strikes nationwide Monday. The union, Germany's biggest, is demanding a 6.5 percent raise; the employers group Gesamtmetall has offered 2 percent.

## Russian Oil Giant Shrugs Off Bankruptcy Proceedings

Agence France-Press

MOSCOW — A major Russian oil company said Monday that it was facing bankruptcy proceedings after a creditor filed a landmark suit in a Moscow court.

Sidanko, a holding company that groups about 30 oil producers and refiners across the country, is being pushed into bankruptcy by the little-known Russian creditor Beta-Eko, a Sidanko spokesman said.

Bankruptcy remains a rarity in Russia despite its large number of unprofitable enterprises, and Sidanko is the largest Russian company so far to end up in court.

The suit adds the energy giant to the list of victims of the financial

crisis that began last year.

But Sidanko executives and shareholders insisted that the case would not go as far as liquidation and said it could end up saving the struggling giant by giving it a chance to restructure and settle its huge debts.

As such, analysts say the bankruptcy proceedings shed light on the desperate struggle by industrial barons to salvage business empires that were shattered by the Russian economic collapse.

Sidanko is controlled by Vladimir Potanin, one of the tycoons often referred to as oligarchs.

"The main thing for Sidanko's management is to keep the com-

pany intact and preserve jobs," a company spokesman, Denis Davydov, said.

"Sidanko is not just an office in Moscow, it is some 30 companies across Russia. We would like the enterprises to work, work well and get paid."

Mr. Davydov said a Moscow arbitration court would decide on an external administration for the company, but he pointed out that shareholders owned more than 50 percent of Sidanko's total debt and so would retain a strong say.

After it was listed last year as the fourth-largest Russian oil company, Sidanko's fortunes swiftly declined as global oil prices col-

lapsed through 1998 and market

mayhem ensued in Russia.

"Sidanko has always recognized its obligations to creditors," the company said.

But, it added, "in conditions of a significant fall in oil prices on world markets and a serious deterioration of the situation on Russia's financial market, these obligations have demanded serious efforts from the company and its subsidiaries."

After Sidanko persistently failed to pay taxes on time, the government cut its export quotas severely.

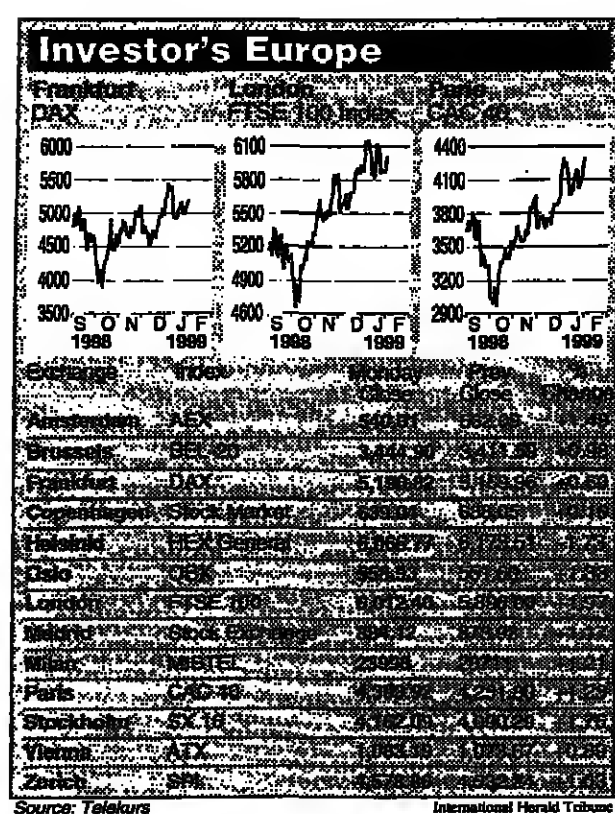
Mr. Davydov said the company had now paid its back taxes in full.

British Amoco PLC, which as

British Petroleum Co. paid \$500 million for a 10 percent stake in Sidanko in November 1997, has since scaled back its involvement with the company, with a string of top executives pulling out in recent weeks.

But a spokesman said Monday that the Western oil giant remained committed to its investment in Sidanko and that it viewed the bankruptcy proceedings as a possible help rather than a hindrance to the company.

"We think Sidanko has a long-term future," the spokesman said. "We think it is a basis for restructuring."



## Very briefly:

- Metal SA, a French minerals and building-materials maker, agreed to buy English China Clays PLC for £756 million (\$1.24 billion) to become the world's biggest maker of pigments to whiten paper, up from No. 3.
- Total SA will refuel its planned purchase of Petrofina SA with European Union antitrust authorities, delaying a ruling by about a month. The EU has requested more information about the combined company's fuel-storage activities in France.
- Banco Bilbao Vizcaya increased 1998 net profit by 25 percent, to 163.62 billion pesetas (\$1.12 billion).
- Global 2000 Coordinating Group, an international group of financial firms, has dropped a plan to publicly rate the year 2000 computer readiness of major nations. AP, AFP, Bloomberg

## WORLD STOCK MARKETS

## Monday, Feb. 1

Prices in local currencies

in euros for EU countries.

Tel Aviv

High Low Close Prev.

Amsterdam

AEX index: 504.81

Previous: 504.81

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**WORLD ROUNDUP**

**Denver Fans Riot**

**FOOTBALL** For the second year in a row, a Denver Broncos' Super Bowl victory was celebrated by unruly crowds who swept through downtown Denver and clashed with policemen.

Officers fired tear gas as windows were broken, cars overturned and trash cans set afire, said Andrew Hudson, a spokesman for Mayor Wellington Webb. Damage was more extensive than after the Broncos' 1998 Super Bowl victory, Hudson said Monday.

"It was like following the path of a tornado," he said. "It was just a really ugly scene by a lot of obnoxious people who were drunk."

Twenty people were arrested in Denver, and damage was estimated at \$160,000.

Authorities also reported problems with revelers in several other cities in Colorado. (AP)

**Refereeing Chief Quizzed**

**SOCCER** Raffaele Guarniello, a Turin prosecutor who has been looking into the use of drugs in Italian soccer, opened an inquiry Monday into the country's referees.

Guarniello began his inquiry by interviewing Sergio Conella, the head of Italy's referees association.

Guarniello is following up on a complaint about possible irregularities in the way referees are assigned matches. The ANSA news agency reported that the complaint alleges that referees have been chosen in order to give favorable treatment to certain teams. (AFP)

**Deacons Upset Terrapins**

**BASKETBALL** Wake Forest broke a five-game losing streak by upsetting Maryland, the fourth ranked men's college team, 83-72, in Winston-Salem, North Carolina.

The Demon Deacons (12-9, 3-6 Atlantic Coast Conference) scored the first 10 points against Maryland. The Terrapins (19-3, 7-2), who had won their previous six games, shot a season-low 36 percent and had 18 turnovers on Sunday. (AP)

**Mediate Wins in Phoenix**

**GOLF** Rocco Mediate conquered his nerves to win the Phoenix Open. His even-par final round of 71 on Sunday beat Justin Leonard by two strokes and Tiger Woods by three.

Mediate started the day six shots ahead of Woods and seven ahead of Leonard. He finished with a 72-hole total of 11-under 273. Leonard carded a final-round 66. Woods shot 68 after making par on the first 10 holes. (AP)



Rocco Mediate holding up his ball at the last hole in Phoenix.

**Elway Leads Broncos to 2d Straight Super Bowl Title**

**Potent Offense and 3 Interceptions By Defense Sink the Falcons, 34-19**

By Leonard Shapiro  
Washington Post Service

MIAMI — If he chooses to retire, John Elway, the Denver Broncos' quarterback, wrote the perfect ending to his storied career with a performance that was far too overpowering for the error-prone and perhaps slightly distracted Atlanta Falcons to overcome in Super Bowl XXXIII.

Aided by a defense that made interceptions on three straight Falcons possessions in the second half, Elway threw for 336 yards and scored the Broncos' final touchdown on a three-yard quarterback draw with 11 minutes, 20 seconds left in the game on Sunday night. That score essentially put the finishing touches on a 34-19 victory, the Broncos' second straight triumph in American football's showcase game.

"I don't know if it's John's last game," said Mike Shanahan, the Denver coach. "But if it is, what a way to go out. We've got a lot of guys in the locker room trying to talk him into a three-peat."

Elway, 38, said he had not made a decision on whether he would retire. With the Atlanta quarterback, Chris Chandler, struggling, the Falcons offense didn't produce a touchdown until 2:04 remained in the game. Chandler finished with 19 completions in 35 attempts for 219 yards, was sacked twice and threw three interceptions in the face of heavy pressure from Denver's blitzing defense.

But the Falcons' woes began before the opening kickoff when their veteran free safety, Eugene Robinson, was arrested Saturday night and charged with soliciting sex from a prostitute. Robinson proclaimed his innocence and publicly apologized after the game, but it became a huge issue for the Falcons in the hours leading up to kickoff.

Robinson missed several tackles and was the victim on a spectacular 80-yard touchdown pass from Elway to the wide receiver Rod Smith that helped the Broncos (17-2) open an 11-point half-time lead.

Elway's heroics were accomplished largely without one of his favorite targets, Shannon Sharpe, his tight end, suffered a hyperextended left knee late in the first quarter on a catch that set up the Broncos' first touchdown. He missed the final three periods.

When Shanahan replaced his starter with the backup quarterback, Bubba Brister, with 50 seconds left in the game, Elway left the field to an explosion of flashbulbs around Pro Player Stadium and was mobbed by his teammates in what might have been his final game. He has said he will make the decision on retirement after consulting with his family, just as he did a year ago in deciding to come back this season.

The NFL commissioner, Paul Tagliabue, in presenting the trophy for the game's MVP to Elway, said: "If, and I underline if, this is your last game, on behalf of millions of fans around the world, I want to say thank you for so many memorable memories."

It was a much less memorable game for the Falcons' coach, Dan Reeves, who joined Don Shula, Bud Grant and Marv Levy as coaches who have lost four Super Bowls. Reeves, who underwent quadruple-bypass heart surgery on Dec. 14, saw his team's 11-game winning streak come to a halt in only its third loss in 19 games.

Reeves, once the Broncos' coach,

fired Shanahan for insubordination following the 1991 season, and he and Elway parted company with bitter feelings when Reeves was himself fired by Denver's owner, Pat Bowlen, in 1992.

But on Sunday there were countless Denver heroes, one of whom was the running back Terrell Davis, who gained 102 yards on 25 carries. It was Davis' seventh straight 100-yard postseason rushing game, breaking a record held by John Riggins, the former the Washington Redskins running back. The Denver fullback, Howard Griffith, scored two touchdowns, both on one-yard runs, and Smith had five receptions for 152 yards.

The Broncos' defense played a huge role in stifling Chandler and the Falcons' offense. The cornerback Darrien Gordon

had two second-half interceptions (returning them a total of 108 yards), and Denver used a variety of blitzes that sent players rushing at the beleaguered Chandler from every direction. The Falcons yielded four second-half turnovers that ultimately proved fatal.

They also squandered critical first-half opportunities deep inside Denver's territory, failing to pick up a first down on fourth and one at the Denver 26 on their first possession of the second quarter, then failing to get three points when Morten Andersen missed a 26-yard field goal with 5:07 left in the half.

With the Broncos holding a 10-3 advantage on the play after Andersen's miss, the Falcons were scrambling to get into the proper defense just before the snap of the ball. They were in a zone defense, with the cornerback Ronnie Bradford trying to bump Smith at the line and Robinson picking him up deep.

Robinson appeared to bite on a play fake, and before he could recover Smith was a good two strides behind him. Elway launched a pass that hit Smith in full stride at midfield, and the swift receiver ran untouched into the end zone for a score that stretched the Denver lead to 17-3 with 4:54 left in the half.

**Robinson Regrets 'Distraction'**

By Thomas Heath  
Washington Post Service

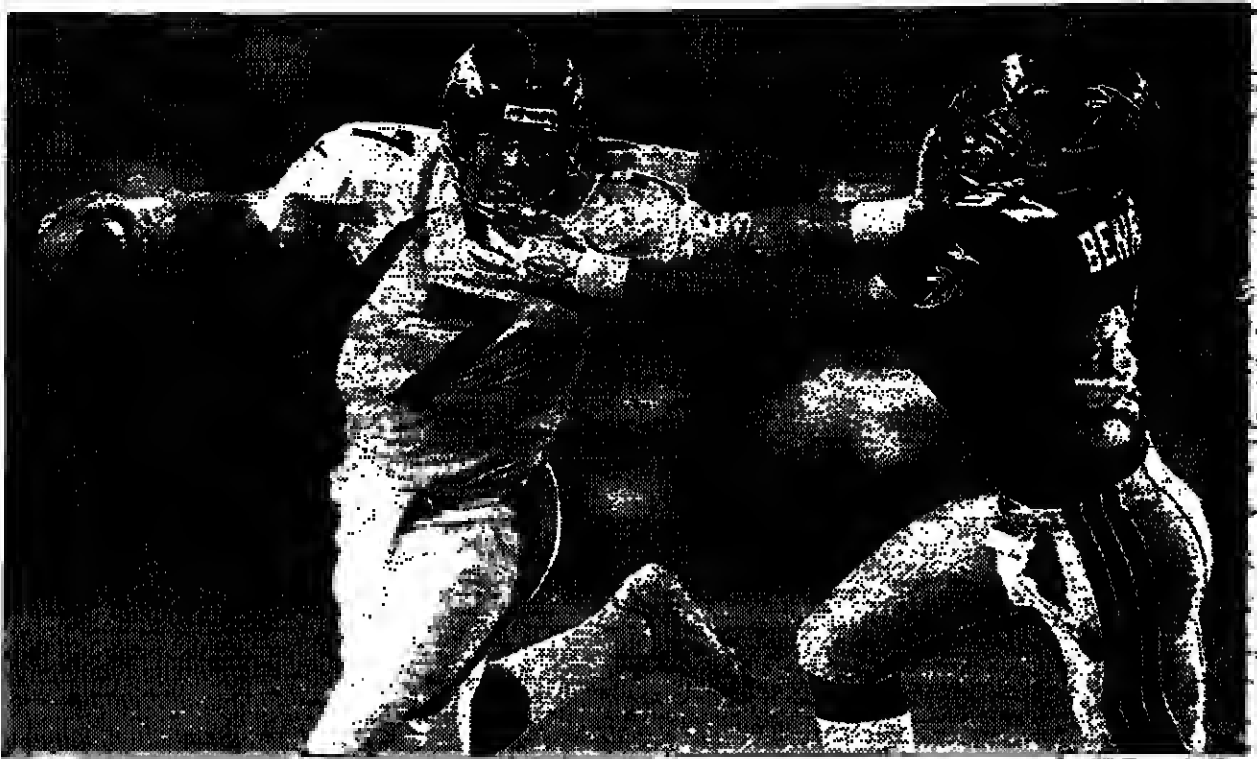
MIAMI — Eugene Robinson, the Atlanta Falcons safety who was arrested on a charge of soliciting sex from a prostitute, proclaimed his innocence and apologized to his team and family after the Super Bowl.

Robinson, 35, started the game on Sunday night after being released from custody Saturday night.

"I really believe, and strongly believe, that I will be found innocent," Robinson said after Atlanta lost to Denver. "What I really want to do now is apologize first to my Lord, Jesus Christ, secondly to my wife and kids, and thirdly to my teammates and the entire NFL organization for the distraction that I may have caused them."

Robinson was driving a car alone on Saturday when he offered a female undercover officer for the Miami police \$40 for oral sex, according to police reports.

Robinson said the incident did not affect his play, although he said he was unable to sleep Saturday night. But the Pro Bowl was beaten on an 80-yard touchdown pass from John



The Broncos' John Elway giving a stiff arm to the Falcon linebacker Cornelius Bennett in the Super Bowl.

**A Day That Matched His Greatness**

Washington Post Service

MIAMI — The man who will go down in pro football history as perhaps the greatest quarterback of all time finally played like it in the only game that really mattered. Yes, John Elway's career had already been validated with last year's Super Bowl victory. But Sunday was Elway's signature game, the portrait a great artist would be proud to hang in a museum.

Last year against the Green Bay Packers, Elway was a bystander. He thumbed a ride and Terrell Davis carried him home. On Sunday against the Atlanta Falcons, it was Elway early and Elway late, Elway underneath the zone and Elway deep with razor-sharp precision. The Falcons crowded the line of scrimmage to stop Davis, but Denver had Elway. Shannon Sharpe got hurt early, and Elway still had Elway.

He completed 18 of 29 passes; he threw for 336 yards including an 80-

yard touchdown bomb to Rod Smith; he ran for a touchdown; and he was appropriately named the game's most valuable player. At 38 years old, playing perhaps the final game of one of the great careers in NFL history, Elway controlled the game as he did in his late 20s and early 30s.

Jessie Tuggle, Atlanta's veteran linebacker, put the game in perspective when he said: "To me, as I was watching film all week, studying Davis, the receivers, the tight ends, we knew we had to first stop Davis. I'm sorry, I know John's a future Hall of Famer, but at this point you have to make John beat you. Terrell rushed for 2,000-plus yards this season so you have to make John beat you. And John responded today."

With about 50 seconds remaining, Elway left the field to a long, appreciative ovation. "That walk I'll remember for the rest of my life," he said. "I guess the message," Elway continued, "is to keep working hard and hang in there because you never know. I'm a prime example."

Just one year ago, when the Packers were heavily favored to beat the Broncos in San Diego, it seemed Elway was destined for a career with an asterisk: Boy, was he great, but it's too bad he never won a Super Bowl.

Now he's got two championship rings plus a Super Bowl performance to call his own. Just like Namath, Staubach, Bradshaw, Plunkett, Montana, Aikman, Young, Favre and Simms. There's nothing missing from Elway's resume now. Nothing. And to think that this team — the franchise Elway made — had become Davis' team. To think so many — myself included — wondered if Elway had it in his 38-year-old body to carry a team for 60 pressurized, anxiety-filled minutes. Some people weren't sure, when the game began, that Elway was even the best quarterback on the field.

One of the story lines here all last week was that Atlanta's Chris Chandler had a better season than Elway did. Statistically speaking, it was a defensible position. But the Super Bowl is a season unto itself, which Elway already knew and which Chandler found out the hard way. His three interceptions killed the Falcons; they eliminated out only

chances to score touchdowns, but opportunities to kick field goals when the game was still close.

Chandler was fine between the 20-yard lines, his passes were as crisp and accurate as they were all season. But down close to the goal line, Chandler threw passes he shouldn't have, the kind he hadn't thrown all season. The Super Bowl can do that to you. If it can trip up Elway three times, it can surely foul up a journeyman like Chandler.

But Elway was through being on the wrong side of history; Sharpe knew it in the middle of the week. The Broncos' offensive players knew beyond a reasonable doubt that the Falcons, just as Tuggle confirmed later, would do everything possible to shut down Davis. "My read on it all week was, 'They're going to stop the run, so we're going to have to throw the ball,'" Sharpe said. "I took it as a challenge."

Sharpe said he told Elway he would have to throw 30 passes. "I asked him, 'Are you ready to do that?'" And the look in his eyes said, "This is going to be my stage. I knew he'd come up big."

Sharpe admires Elway without qualification or reservation. He says that while Dan Reeves, when he was the Broncos' coach, gave him the chance to be a player, Elway is largely responsible for helping him become an All-Pro tight end. Sharpe isn't one to guffaw before just anybody, but it's worth listening to him on the topic of Elway's greatness.

When someone asked Sharpe what he would tell his children about playing with Elway, Sharpe said: "I won't have to say anything. I've taped all the big games I've played with him. They can see for themselves better than I can tell."

"Without a doubt in my mind, he's the top quarterback to play this game. You look at what he did early in his career when he didn't have as much to work with, and you look at what he did late in his career when he had so much to work with."

Elway would have a lot to work with next season, too. And he would have the incentive of trying to win three straight Super Bowls, something nobody has ever done. As he walked to the dressing room we all wondered, and maybe he did, too, if there's any encore to something this thrilling, this fulfilling.

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ART BUCHWALD

## So Many Crimes ...

NEW YORK — The most misused words in the English language right now are "high crimes" and "misdemeanors." Everyone has his own interpretation of what they mean.

Perhaps I can be of help. For teenagers, a high crime could be lying to your parents about your report card. A misdemeanor could be taking your parents' car without their permission.

A misdemeanor or for grown-ups could be telling your friends you can't come to their dinner because your mother is sick, when your mother is in the best of health.

A high crime would be telling an air terminal employee that no one helped you pack your bags.

There are so many high crimes and misdemeanors to be committed. One of the worst misdemeanors is telling your husband you don't remember what you charged at Saks Fifth Avenue.

A high crime that must be

punished is informing your doctor that you have been walking two miles a day when, in fact, you haven't been walking at all.

A misdemeanor, which we all commit, is calling in sick when we want to play golf or tennis or go get a haircut.

At the same time, a high crime would be going to your high-school reunion and lying about how much money you make.

One serious misdemeanor that could be charged against you is giving fat-free ice cream to your children when you promised the real thing.

A high crime is to not call back your mother when you assured her you would.

A misdemeanor that is criminal is to admit to male friends that you committed adultery when you never did.

A high crime is to give the Bronx cheer into somebody else's voice mail.

Finally, it is a misdemeanor for politicians to drive the president of the United States from office.

It is a high crime to make the American people listen to them.

## A Look at the Life of Robeson

New York Times Service

WASHINGTON — As gifted as he was controversial, Paul Robeson led a life that brought him All-America honors on the football field at Rutgers University, Phi Beta Kappa status in the classroom, stardom as an actor and singer, and condemnation and ostracism as a communist sympathizer.

Now, through some 150 photographs, prints, paintings and pieces of memorabilia and audio clips, Robeson (1898-1976) is the subject of a new exhibition here at the Smithsonian Institution's National Portrait Gallery.

Among the items in "Paul Robeson: Artist and Citizen," through April 18, are a program from his first formal concert, in Boston in 1924; his costume from the 1933 production of "The Emperor Jones," and photographs documenting his efforts to end racial discrimination and other social injustice.

## Arnold Schoenberg: Pushing Music to Evolve

By Anthony Tommasini  
New York Times Service

NEW YORK — For a brief period in the spring of 1898, Arnold Schoenberg, then 23, thought his music just might be received with some degree of sympathy. His String Quartet in D, a piece steeped in Brahms but using a more wide-ranging harmonic language, was performed by a new-music ensemble in Vienna and greeted with something approaching enthusiasm.

But it was not to last. Schoenberg's ruminatively beautiful string sextet "Transfigured Night," the next work to be submitted for the ensemble's consideration, was rejected as too radical. And when several of his songs were presented in Vienna in late 1900, vehement protests erupted in the audience. Schoenberg soon became, as he put it, "everyone's whipping boy." For the rest of his life, he met with incomprehension at best, outright hostility at worst.

Even today, Schoenberg probably gets the nod as the most reviled composer in history. So when the Metropolitan Opera presents its first production of his masterpiece "Moses und Aron" on Feb. 8, more of the animosity the composer's music has always attracted will undoubtedly be whipped up.

Early on, Schoenberg tried to numb himself to the attacks. "I have become indifferent to public abuse," he wrote in 1915 to the composer Alexander Zemlinsky, who, though just three years older, was the closest thing the essentially self-taught Schoenberg had to a teacher. In truth, the abuse embittered him. When it came from musicians and critics, he suffered pangs of self-doubt.

And the abuse could be merciless. "I suffered physical pain, as one cruelly abused," a Berlin critic wrote in 1909, on hearing the composer's Second String Quartet. James Gibbons Huneker, the critic for The New York Times, reporting on a performance of

"Pierrot Lunaire" in 1913, wrote that Schoenberg's music conveyed an "aura of original depravity, of subtle ugliness, of basest egoism, of hatred and contempt, of cruelty and of the mystic grandiose."

Yet Schoenberg clung to his belief that however radical, the evolution of his musical language into free atonality, and his subsequent invention of the technique of 12-tone composition, represented inevitable stages in the development of the great European classical tradition. That is not the way things panned out. Still, he would probably be amazed by the imposing place he now occupies in history.

Though Huneker's condemnation may seem laughably excessive today, many present-day listeners essentially agree. The Met production of "Moses und Aron" will be seen as a brave act of principled programming. But the New York City Opera proved that "Moses und Aron" does not have to be box-office poison when it presented the work's New York stage premiere in 1990. Ticket sales were strong, though they were driven in part by a daring production, which included a steamy enactment of Israelites engaging in orgiastic dancing before the idol of the golden calf.

Little word has emerged about the Met's production, by Graham Vick, but publicity photographs suggest a spare, vividly colorful approach. James Levine, who reverts the opera, will conduct.

If anything of Schoenberg's has the potential to engage those unfamiliar with his music — intimidated by the 12-tone idiom, perhaps, but at least curious — it is this viscerally powerful, dauntingly complex yet often hauntingly beautiful opera, for which Schoenberg also wrote the libretto. It is his most directly personal statement.

The biblical story spoke to Schoenberg's deep spiritual cravings. Perhaps because his life's work involved contesting the absolutes he had inherited in music, Schoenberg sought others in re-



Arnold Schoenberg in Los Angeles in 1944.

ligion. He completed two acts of the opera in 1932. (A third was intended but never composed.)

The next year, Hitler's rise to power in Germany and the Nazis' persecution of Jews provoked a powerful reaction in Schoenberg. Born and raised Jewish in Vienna, he had converted to Lutheranism in early adulthood. But in 1933, at 59, he openly re-embraced the Jewish faith.

"Moses und Aron" anticipated his reconversion and grippingly expressed the fervor behind it.

Still, the prospect of hearing "Moses und Aron" will no doubt evoke terror in many listeners. Why has Schoenberg's musical radicalism engendered such con-

tinuing hostility, when the radicalism of Stravinsky and Bartok has long been embraced?

Probably because Schoenberg is viewed, simply, as the main culprit behind the challenge to the system of tonality that had for centuries brought at least some degree of commonality to music from diverse cultures, and because he is blamed, rightly or wrongly, for driving a wedge between 20th-century composers and the public.

Even Schoenberg's pre-12-tone music represented, in the words of a Berlin critic in 1910, a "methodical negation of all heretofore accepted musical rules." Schoenberg "kills tonal perception," the critic added. "Debussy only threatens; Schoen-

berg carries out the threat."

There is, to be sure, an element of truth in this critique, and Schoenberg has never been forgiven.

Paradoxically, he revered the tradition and the stylistic unity it made possible. Despite his defensiveness about his work, he never intended to tear down the entire tonal system. He moved to the United States in 1933 and eventually settled in Los Angeles, where he briefly became a friend and tennis partner of George Gershwin, whom he respected immensely. There was nothing patronizing about this respect. Schoenberg simply felt that the serious music of high culture operated on a different plane from other music, and radical currents had been sweeping through serious music for some time.

He felt compelled, almost against his will, to dismantle existing procedures and devise new ones. It was a dirty job, in other words, but somebody had to do it.

What, exactly, needed to be done? Before the century was a decade old, the system of tonality was in crisis, and whatever one ultimately thinks of Schoenberg's solutions, his analysis of the problem was astute, convincing and courageous. Although tonal music is ubiquitous, the concept of tonality is hard to describe. In its most common manifestation, music using major and minor keys, tonality is a system of organizing pitch in accordance with acoustical principles. A certain pitch (say, the C of the C major scale) is fundamental. The other pitches of the scale relate to that fundamental in an audible hierarchy of importance. Whatever happens, the music has to keep referring back to that fundamental.

Some opera fans will pass the poster for "Moses und Aron" outside the Met, curse Schoenberg's name and go inside to buy tickets for "Aida." They will miss the work of a composer placing everything on the line, maybe crossing that line but not caring, so powerful was his compulsion to create this opera.

## PEOPLE

THE filmmaker Stanley Kubrick may come out of seclusion in Britain, where he has lived since 1961, to file suit in person against the satirical magazine Punch, the Independent on Sunday reported. Kubrick has sued Punch for an unsigned jab in the August issue, which his lawyers plan to argue put into question their client's mental health. But James Steen, editor of Punch, said: "We're not saying he is clinically insane. What it means is he's a well-meaning eccentric." The magazine, a property of the millionaire Mohamed al Fayed and no stranger to controversy, said Kubrick had read too much into the piece. The director is finishing up a much talked about film starring Tom Cruise and Nicole Kidman, "Eyes Wide Shut," which is scheduled to be released in mid-1999.

The city of Leipzig has commissioned a sculpture to be erected next year to mark the 250th anniversary of the death of Johann Sebastian Bach. The sculptor Arman, who lives in New

York, was in Leipzig over the weekend to find inspiration for the work, "Homage to Bach." The German composer was director of music at the Church of St. Thomas in Leipzig from 1723 until his death.

Nick Nolte says there is good reason for the six-year delay between when he got the screenplay for "Affliction," and when he stepped in front of the camera to film it. Nolte told The Philadelphia Inquirer in a story published Sunday that he was not mature enough for the role in the early 1990s. "There were areas about the violence that I didn't get in the largest sense," said Nolte, who plays a bear-like man burdened with the legacy of family violence and alcohol abuse. "I needed to understand that we are the killer — that's part of us," he said.

Michael Caine, his days of philandering and heavy drinking well and truly behind him, says he is "too old to mess around with women." The 65-

year-old actor's film career has taken on a new life with his portrayal of a sleazy impresario in "Little Voice," winning a Golden Globe award and sparking speculation that an Oscar could be next. "I used to do a bottle of vodka a day in the 1960s — no problem. You are just top-

ping yourself up," Caine told The Times of London in an interview. Meeting the model Shakira Baksh changed all that. "I stopped when I met my wife," he said. "Romance took over and, of course, women do not like drunks."

## Marilyn Manson Flees Australian Stage

Agence France-Presse

PERTH, Australia — The Satanist shock-rocker Marilyn Manson stormed off stage after being bombarded with missiles and abuse at a concert here in which 400 people were hurt, fans and members of ambulance crews said Monday.

A spokesman for an ambulance company said the injured at Sunday's concert included one of Manson's guitar technicians, who was treated for a cut head after being struck by some sort of object. Most of the injured fans were treated on the spot for minor injuries, but some were more seriously hurt when they were thrown over the crowd.

Fans said Manson had shouted abuse at the crowd before leaving the stage about half way through his hour-long set. One concert-goer, Jo Metcalf, said plastic water bottles and other debris had been thrown at other acts throughout the concert. Manson's record company said that he had walked off because he was angered by the crowd's behavior, but that the concert would not affect his future tours of Australia.



BALLOON WEEK — Fireworks illuminating Chateau d'Oex, Switzerland, over the weekend to kick off the city's 21st hot-air balloon festival.



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